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DEPARTMENT OF OVERSEAS TRADE.

Economic Conditions IN EGYPT

July, 1931.

REPORT BY

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LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE:

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses
Adastral House, Kingsway, London, W.C.2 ; 120, George Street, Edinburgh;
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1931.

Price 4s. 0d. net.

54-24-0-31.

DEPARTMENT OF OVERSEAS TRADE.

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The Department is represented in Egypt by Mr. R. M. A. E. Turner, O.B.E., Commercial Secretary, assisted by Mr. L. B. S. Larkins, Commercial Secretary, The Residency, Cairo.

(b) The British Consular Service.

Particular attention has been given to the commercial side of consular work since the re-organisation of the service. In certain countries where no Commercial Diplomatic Officer is stationed the senior Consular Officer undertakes duties of a similar character.

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NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects those of the Department.

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COMMERCIAL SUMMARY.

Area.—About 1,000,000 sq. kilometres, of which some 32,000 sq. kilometres are cultivable.

Population.—1927 census, 14,168,756; (including about 150,000 Europeans).

Language.—Arabic. English, French, Greek and Italian are also in common use in commercial circles. Catalogues for reference by Egyptian merchants should be in Arabic and English.

Money.—£E. (Egyptian Pound)=P.T. (piastres tariff) 100=1,000 milliemmes=£1. 0s. 6½. A dollar=a tallari=P.T.20=4s. 1½d.

Rate of Exchange.—Average 97 $\frac{1}{16}$ piastres to the £ sterling during 1930.

Index Numbers.—Index number of average cost of living during 1930 for native clerks, artisans and labourers earning £E.5 to £E.8 per month, over the whole of Egypt, 150 in 1930.

Principal Weights and Measures.

1 cantar=100 rotls=99.0493 lbs.

1 rotl=144 dirhems=0.9905 lbs.

1 oke=400 dirhems=2.75137 lbs.

1 heml=200 okes=550.274 lbs.

1 ardeb=96 kadahs=43.455 gallons or 5.444 bushels.

1 keila=8 kadahs=3.63 gallons.

1 rob=4 kadahs=1.815 gallons.

1 kadah=1/96th ardeb=3.63 pints.

1 feddan=24 kirats=5024.16 sq. yards or 1.038 acres.

1 cantar of unginned cotton=315 lbs.

1 cantar of ginned cotton=100 lbs.

Approximate weight of an ardeb of various seeds:—

Wheat, 150 kilos. Barley, 120 kilos. Beans, 155 kilos. Maize, 140 kilos.

Lentils (whole) 157 kilos. Lentils (split) 132 kilos.

Note (1).

1 bale of steam-pressed cotton=7.75 cantars.

1 bale of hydraulically pressed cotton=8.5 cantars.

1 ardeb of cotton seed=267 lbs.

8 ardebs of cotton seed=1 ton.

3 bales of steam-pressed cotton=1 ton 85 lbs.

Note (2).

In Egypt liquids are often bought and sold by weight and there are no specific Arabic liquid measures.

Imports.

Total Imports, 1929, £E.56,275,000—1930, £E.47,488,000.

Principal Imports during 1930:—Cotton textiles, £E.5,161,000; cotton textiles mixed with artificial silk, £E.870,000; woollen textiles, £E.1,004,000;

silk cloth, £E.881,000; cotton yarn, £E.177,000; art. silk yarn and threads, £E.98,500; cotton threads, £E.202,000; empty sacks, £E.545,000; carpets, £E.256,000; boots, £E.278,400; flour, £E.2,114,000; wheat, £E.126,000; sugar, £E.1,501,000; rice, £E.134,000; coffee, £E.637,000; tea, £E.484,000; samn and butter, £E.135,000; cheese, £E.330,000; fish, salted and preserved, £E.214,000; fresh fruits, £E.565,000; edible fruits, £E.420,000; sheep, £E.180,000; wines and alcoholic liquids, £E.714,000; vegetable oils, £E.497,000; paper and its manufactures, £E.602,000; ordinary soap, £E.392,000; coal, £E.1,523,000; fertilisers, £E.2,418,000; cement, £E.394,000; benzine, £E.569,000; kerosene, £E.1,072,000; liquid fuel, £E.263,000; lubricating oils, £E.251,000; matches, £E.333,000; wood for building, £E.2,194,000; raw copper, £E.226,000; iron and its wares, £E.2,606,000; electric machines, £E.2,266,000; motor cars, £E.552,000; motor lorries, £E.127,000; gold bullion, £E.211,000; silver bullion, £E.143,000; tobacco, £E.1,170,000.

Exports.

Total Exports (domestic) 1929, £E.52,187,000—1930, £E.31,942,000.

Principal exports during 1930 :—Raw cotton, £E.23,788,000; cotton seed, £E.1,865,000; cotton seed cake, £E.907,000; cotton seed oil, £E.425,000; Onions, £E.540,000; rice, £E.633,000; eggs, £E.258,000; hides and skins, £E.161,000; gold ingots, £E.810,300; cigarettes, £E.312,000; benzine, £E.380,000; asphalt, £E.279,000; phosphates, £E.258,000; tanned leather, £E.166,000; mineral ores, £E.124,000.

Railway Mileage (excluding auxiliary lines) :—

Total open mileage, 30/4/30, 3,560 kilometres.

Total open mileage, 31/7/31, 3,783 kilometres.

Mercantile Marine :—

1929, Steamships, 30. Sailing vessels, 219. Total, 249.

1930, Steamships, 33. Sailing vessels, 188. Total, 221.

Note : A copy of a pamphlet entitled "Hints to Commercial Visitors to Egypt," may be obtained by British firms on application to the Department of Overseas Trade. This pamphlet includes information in regard to climate, travel routes, hotels, cab fares, railway travelling, etc.

REPORT ON ECONOMIC CONDITIONS IN EGYPT

To July, 1931.

INTRODUCTION.

The immense amount of money that came to Egypt during and immediately after the War, even if it has not changed her definitely from a debtor to a creditor nation, as some maintain, has, none the less, left her to-day with a public debt that only amounts to rather less than £E.7 per head of the population; a mortgage debt of approximately £E.35,000,000, while the value of her agricultural property alone is placed at about £E.500,000,000; a budget that shows a surplus; a reserve fund, a considerable part of which is, it is true, at present "frozen" and will have to bear a loss during the process of liquefaction, but all the same amounting to some £E.40,000,000; and last, but not least, national assets of great value in the form of railways, vast irrigation works and other undertakings of public utility, the beneficial effects of which on the national prosperity are still to make themselves fully apparent.

In the face of these facts, coupled with the added advantages of her wonderful soil and climate, and of the industry and frugality of her working population, it would be difficult to be pessimistic about the future of Egypt.

The prosperity of the "boom" years, which the small so-called crises that have since occurred have been too partial and too transient to affect, induced in the minds of individuals a subconscious belief that that state of things must continue indefinitely. In the case of the Government, the regularity of the revenue returns and of the yearly recurring surplus of revenue over expenditure, despite ambitious programmes of public works, tended to strengthen the conviction; while, in the case of individuals, although actual returns decreased, the native optimism and "land hunger" which maintained the sale value of land at an exaggerated figure (it is said that so late as the latter half of 1930 the actual return from newly purchased agricultural land scarcely exceeded 2 per cent.) disguised from the majority the real state of affairs. This, of course, applies only to the larger landowners, the large body of officials, and the trading community ministering to their wants: together with the Government these classes are, however, the principal "spenders" of the community. The fellaheen were comparatively little affected by the years of prosperity, though even their inherent content with the barest necessities of life was beginning slightly to widen its demand.

A characteristic of the population is that it spends its income a full year ahead of its receipt, and in the case of the large land-

owners has been inclined to base such expenditure rather on a putative income from the sale value of the land than on actual returns. Apart from psychological reasons this is no doubt partly due to the practice of the cultivators of obtaining advances on their crops, in some cases, before they are even sown. Egypt depends for her income practically entirely on one crop—cotton. There are, of course, sugar cane, onions, and the dhurra, on which the peasantry lives, but cotton is the one great source of the country's wealth. Since the latter half of 1929 not only has the world's demand for Egyptian cotton decreased but the prices obtained have steadily sunk until to-day they have, it is maintained, reached a point at which it is scarcely remunerative to produce the crop. Now, after three bad cotton years—1931 shows no sign of being an improvement on its immediate predecessors—the effects of the practice of spending income a year ahead can easily be imagined. To-day landlords cannot obtain their rents nor the Government its taxes or the refund of money loaned to the cultivators. As practically all interior trade is on a credit basis the small retailer cannot obtain payment from his peasant creditors and, consequently, cannot meet his obligations to his wholesaler, who, in turn, has, in all too many cases, either to default towards the exporter or to ask for an extension of credit. Unfortunately the apparent prosperity of the market of recent years has attracted the attention of a large number of overseas exporters, who in their efforts to secure business and, in a great number of cases, spurred thereto by over optimistic or unscrupulous agents, have granted credit terms and cut prices in a manner which has, in a number of branches, not only rendered the market unremunerative but has thoroughly disorganised and overstocked it.

In the face of such conditions the banks have been obliged seriously to restrict the credit facilities given to their clients—in one or two instances, perhaps, certain banks in the hope of attracting custom have been somewhat more generous than others, and trade to-day is to a great extent at a standstill.

The large salaried class has not however as yet seen its purchasing capacity seriously reduced. Furthermore, while at the beginning of last tourist season it looked as if the world economic crisis would seriously effect the number of tourists visiting the country, the latter half of the season proved rather better than had been expected. One or two minor export industries such as phosphates and cotton seed cake, also gave better returns than in previous years, while the difficulty of finding suitable employment for such money as was encashed may also, to some extent, have influenced the amounts actually spent.

How seriously, however, Egypt's economic position has been affected by the failure of the cotton market, may be gathered from the following figures :—

Value of Cotton	Exports	1927	£E.39,000,000	
do.	do.	1928	45,000,000	
				£E.84,000,000
do.	do.	1929	41,000,000	
do.	do.	1930	24,000,000	
				£E.65,000,000

As compared with the two previous years, therefore, Egypt received from abroad, in the course of the last two calendar years, £E.19,000,000 less from her main article of exxport. (During the first six months of the current year the cotton exports were valued at £E.9,342,143 as compared with £E.14,042,329 during the corresponding months of 1930). In recent months some quantity of Egyptian Government cotton has been sold to the Russian Soviet Authorities. A further result of the fall in the demand for cotton is shown by the figures of Egypt's foreign trade as a whole. While during the last ten years these have as a whole shown a balance in Egypt's favour, the figures for 1929 showed an excess of imports over exports of some £E.4,000,000, which figure in 1930 was increased to £E.15,600,000. During the first six months of 1931 exports amounted to £E.13,375,854 and imports to £E.15,084,883.

As was to be expected the adjustment of expenditure to reduced revenue has not proceeded as quickly as the decline of the latter, but the laudable example set by the administration, together with that hard task-master, necessity, are beginning to bring the lesson of economy home to the community at large. Casual visitors to Cairo and Alexandria may still be filled with astonishment, as indeed are many of longer residence, at the large numbers of smart and apparently new motor cars to be seen, and at the expensive elegance of many of their occupants, but even of luxuries the consumption is falling, while the purchasing capacity of the fellah has practically disappeared. An agricultural labourer who in 1930 was receiving Pt.6 (about 1s. 2d.) is to-day getting between 2½ and 3 Pt. (6d. and 7d.) for a working day that lasts practically from before sunrise to sunset. The reduction in the spending capacity of the country is shown in the import statistics given in Appendices I to IV, and in those of the circulation of notes, metal, and currency given in Appendix XXIX. In this latter connection it is of interest to note that the banks have of recent months been receiving gold coins of various currencies, showing that the peasantry have been obliged to unearth their hoards.

Considerable effort is being made both by the Government and by individuals to reduce expenditure on imports by encouraging home production and, in a number of directions, there are good grounds for expecting a successful issue of these efforts.

It may here be remarked, in parenthesis, that one of the difficulties, and perhaps by no means the least, which this country has to face, is the necessity for finding useful employment for the large number of young men who yearly pass from the University and technical colleges. Hitherto, the one aim and

only ambition of a father who sent his son to such an establishment was to see the young man become a Government official—Egypt, with a revenue of between 36 and 40 millions, budgets between £E.14,500,000 and £E.15,000,000 for “Salaries and Allowances”! On the one hand efforts are being made to reduce this item of national expenditure, and, on the other, the number of candidates far exceeds the number of posts available. Furthermore, the ranks of the “professions” are, it is said, already congested. Unless, therefore, other scope is found for the employment of the young men, there is grave risk of the formation of a steadily growing class of unemployed “intelligentsia.” While employment for some number of these graduates can doubtless be found in the growing Egyptian industries, it would seem that the most likely field for them is in trade and commerce. In this connection the policy of the Banque Misr deserves warm commendation. If, as is the aim of its public-spirited Director, the Bank inculcates into the minds of the younger generation of Egyptians the conviction that trade and commerce are honourable and desirable callings, and, through the example given by its own employees, can set and maintain a high standard of devotion to duty and business integrity, its efforts in that direction will be of greater ultimate value to the nation than even those it has displayed in the various industrial enterprises which it has so patriotically sponsored.

The measures taken towards increasing local production must necessarily, in the majority of cases, require some time before their effects become felt. In the meantime, the position of the trading community is bad. The number of bankruptcies and of protested bills is great, and, it is to be feared, will become still greater in the near future. Even firms of high commercial reputation find themselves embarrassed, and many merchants, particularly those dealing with the provinces, count their outstandings by thousands. In many cases these outstandings will—in time—be liquidated, but in the meantime there is so much capital locked away, and further trade can be done only by increasing liabilities.

One result of this state of things, it is to be hoped, will be that a number of the less reputable trading concerns and individuals will be eliminated. That in the process a number of honest but unfortunate men will also go to the wall is, alas, equally likely. The givers of credit, whether banks (though the banks operating in Egypt have, under the wise guidance of the National Bank, as a general rule observed a careful policy and stand to-day in a sound position), or foreign trading concerns, will have learnt their lesson, and credits and stocks of goods destined for the country will in future be kept in better relation to the capacity of the market. Moreover, if the attention now being given by the authorities to the administration of the bankruptcy laws results in a tightening up of their administration, the various malpractices which at

present contribute to the disorganisation of the market, will, it is to be hoped, in some measure disappear.

Another sign of the present crisis, which during the current summer has invited the attention of the authorities, is the considerable increase in the enforced sales of land. Let it be said at once that the mortgage institutions operating in the country are understood, on the one hand, to have observed a cautious policy and to have based their advances on the real value of properties as distinct from the fictitious values to which earlier reference has been made, and, on the other, far from being inclined to "bleed" their customers, have as a general rule—and, not least in their own interest—treated their *bona fide* customers with a great measure of generosity. In times like the present, however, it is evident that a number of cases must occur where such credit institutions find themselves, after the exercise of considerable patience, obliged to apply to the Courts for the protection of their interests. The number of forced sales had increased to such a degree by the middle of July, and the prices realised were so unsatisfactory—in a number of cases the mortgage institutions have seen themselves obliged to take over the properties and to run them themselves—that the Government, in consultation with the institutions and others, are considering means by which the foreclosing on the properties of honest but unfortunate owners can be postponed until there is a return to more normal conditions. Unpleasant though the circumstances are which have rendered some such measure tempting the lesson of these sales will not have been wasted if they result in bringing the value of agricultural land into a truer relation to the yield actually obtainable from it.

While wisely following a policy of rigid economy the Government is not letting itself be deterred from carrying on the programme of public works of major importance, the completion of which will materially enhance the productive capacity of the country, and at the same time render more land available for the rapidly increasing agricultural population. As stated in the section dealing with State Finance, the revenue returns, though necessarily reduced, are satisfactory, and should exceed the expenditure at the end of the financial year. The wants of 85 per cent. of the population, the frugal and industrious fellah, are very small, and the most urgent of them can be met from the land on which he lives. His lot is a hard one but not very much worse to-day than yesterday, and probably to some small degree somewhat better than the day before. The position of the remaining 15 per cent. of the population is worse than it has been for many years, and more noticeably so since the last decade and a half have been characterised by an unusual and, to some extent, artificial prosperity. There is, however, still considerable accumulated wealth in the country, though it is very unevenly distributed. Egypt, moreover, possesses a number of possibilities for economic development of which she is only just becoming

aware, a careful and well considered exploitation of which may well prove of no small value. The position of her banks is sound and her public debt amply secured. An improvement in the world's cotton market should ensure a return of prosperity, and, once that eagerly awaited improvement commences, the movement in the case of Egypt should be accelerated by the reduction which has taken place in the difference between the prices of the American and the Egyptian cotton. It is indeed held in many quarters that, taking both price and quality into consideration, Egyptian cotton is to-day the cheapest article on the market.

I. ECONOMIC AND FINANCIAL SITUATION.

STATE FINANCE.

On the 1st May, 1930, the Reserve Fund amounted to £E.40,599,000. Of this sum, by the end of December, 1930, a total of £E.19,378,000 had been expended either in purchases of cotton or in advances to cultivators. Of the remainder, amounting, somewhat later, to about £E.17,329,000, nearly £E.10,000,000 were invested in Egyptian securities, £E.6,785,000 in British War Loan, and the rest in other securities.

The actual sum expended on the purchase of cotton up to the 10th February, 1931, including storage and other expenses, amounted to about £E.14,198,000. It may here be added that, in order to economise expenses on the storage, insurance, etc., of cotton, the Government, after discussing the matter with merchants and others, proceeded to press a certain amount of the stocks bought during 1929-30.

In a review of the financial situation of the Government prepared in the current year by the Under Secretary of State, Ministry of Finance, it is observed that, notwithstanding the fact that part of the reserve fund is immobilized, the financial situation of the Government continues to be healthy, and indeed, better than that of a number of other countries, even if the eventual sale of the cotton held by the Government should result in an appreciable loss. "Soon the Government will have at its disposal a very considerable reserve, which cannot but testify to the solidity of the bases on which the public finances repose." The Under Secretary of State further calls attention to the fact that the population owns agricultural property estimated at a value of £E.500/600,000,000, which sum does not include urban properties nor the first class securities acquired during the prosperity of the last fifteen years. On the other hand, the mortgage debts on all real property are only about £E.35,000,000.

For the financial year 1931-32 revenue is estimated at £E.39,316,000, and the expenditure at £E.38,884,000, giving a surplus of £E.432,000.

In compiling the budget care has been taken to exercise the greatest economy, and the various Government Departments were called upon to reduce their estimated expenditure by about 10 per cent. as compared with previous years. Furthermore, the estimates include only such sums as the Departments consider they will actually be able to expend during the year, as distinct from the more optimistic practice previously followed. For comparison with the estimated expenditure of £E.38,884,000 during the current year the expenditure for 1930 was estimated at £E.44,915,000 and for 1929 at £E.47,410,000.

As regards revenue it is pointed out that the economic crisis through which the country—and most of the world—is passing, has resulted in a considerable diminution of the income obtained from the Railways and from the State Domains, while there is also an estimated reduction of some £E.713,000 in the receipts from investments.

In the case of revenue from Customs, which is the largest item on that side of the Budget, it is pointed out that, had it not been for the introduction of the new tariff in February, 1930, a very grave deficit would have had to be faced. All the same, in drawing up the budget, a conservative estimate has been used, the total imports being put at £E.34,000,000 although the average yearly imports during the past ten years have been about £E.43,000,000. None the less, thanks to the increased duties, the revenue from the Customs is expected to exceed by a considerable sum the decrease anticipated in revenue from other sources. It may here be added that the decrease in revenue resulting from the long-wished-for suppression, in the early part of this year, of the Octroi duties has been more than covered by the supplementary duty placed on tobacco at the commencement of April, 1931.

Many of the more important objects of expenditure are referred to under the heading "Notes on the Project of the Budget 1931-32" and need not be further discussed here. The Government has its attention directed to the comparatively large amounts spent on salaries, and steps are being taken which it is trusted will result in a gradual decrease in the future of the disproportionately high expenditure under this heading.

While, as has been stated earlier, great efforts are being made to reduce expenditure, the Government are continuing to carry out the programme of works of national importance which was laid down a few years ago in so far as concerns works that had already been commenced.

Egypt is fortunate in having a National Debt of only about £E.90,000,000; less than £E.7 per head of the population, or about the revenue of two normal years, and the service of the debt for the current year is estimated at £E.4,348,484 as compared with £E.4,697,284 in 1930.

NOTES ON THE BUDGET OF THE EGYPTIAN STATE 1930-31.

MINISTRY OF PUBLIC WORKS.

Irrigation Department. — Expenditure for 1930-31 £E.5,725,193, as against £E.6,371,147 in 1929-30, or a decrease of £E.645,954.

Estimated expenditure on new works shows a reduction of £E.664,000 compared with the previous budget; total expenditure on new works under the 1930 budget being £E.4,000,000, compared with £E.4,664,000 under the 1929 estimates.

New Works. — Lower Egypt Projects. — These number altogether 92, total expenditure on which was estimated to reach £E.13,110,177 of which £E.2,532,149 to be spent by the end of April, 1930, and a further £E.1,948,596 was included in the new budget for the continuation of works such as improvement in irrigation, drainage, etc.

Upper Egypt Projects. — These number 29, at a total estimated expenditure of £E.2,121,782, of which £E.880,281 to be spent up to the end of April, 1930. A credit of £E.432,070 was included in the 1930-31 budget under this head. The larger projects include improvement of inland waterways.

Reservoir Projects. — (1) For the construction of the Barrage of Nag Hamadi, which was subsequently completed in 1930, the new budget included a credit of £E.249,411.

(2) The heightening of the Assouan Dam. Total estimated cost £E.4,300,000, of which £E.298,300 had already been expended. The credit in the new budget amounted to £E.836,320. (Difficulties having been encountered by the original contractors in carrying out this work, a fresh contract was made towards the end of the year with another British firm.)

On the other hand a credit of £E.20,000 was included in respect of the strengthening of the Assiout Barrage, the total cost of which is estimated at £E.1,000,000, but the execution of this project was subsequently postponed for reasons of economy. In this connection it should be observed that the programme of the Ministry of Public Works includes projects for the strengthening of the Delta and Esna Barrages, after that of Assiout has been completed. The estimated cost of the strengthening of the three barrages is about £E.3,500,000, but here again, reasons of economy have, at any rate for the time being, intervened.

Sudan Irrigation Projects.—Estimated total cost £E.1,175,000. Of this sum, expenditure amounting to £E.555,000 was to be disbursed by the end of April, 1930, distributed as follows :

£E.20,000 for Aerial Survey, and £E.535,000 for purchase and installation of floating material. For these two works respectively, £E.35,000 and £E.200,000 were provided in the 1930-31 budget.

The sum of £E.535,000 had already been expended in April, 1930, in the execution of about a half of the programme for the purchase and installation of floating material, and also for housing and workshops.

State Buildings Department.—Of the total budgetary estimates amounting to £E.1,496,363, only the credits for new works are of interest. For this purpose a sum of £E.1,200,000 (exactly the same figure as in 1929) was provided, after deduction of £E.395,442, which it was foreseen would not be expended during the financial year under review.

The new works programme envisaged ultimate expenditure amounting to £E.5,834,035. It should be said that a certain proportion of the cost of building is included in the different budgets of the Ministries upon whose behalf the works are executed by the State Buildings Department.

This programme was divided into two parts, the first of which comprised some 149 works in respect of which credits had been provided under the two previous budgets. Estimated expenditure up to the end of April, 1930, was £E.1,268,718. A credit of £E.1,384,040 was proposed in regard to this first section of the programme, but it should be observed that the commitments of the State Buildings Department are usually so heavy that the execution of a large proportion of the requirements of the different Ministries has, necessarily, to be delayed over the financial year for which the original credit was voted.

Among the works executed during the year under review should be included 20 new Shoonahs built in the summer of 1930, which were urgently required for housing the cotton purchased by the Government.

Mechanical and Electrical Department.—The grant to this Department in respect of new works was trivial (amounting to only £E.34,691), but it must be remembered that this Department is responsible for the execution of many works on behalf of the Irrigation Department and of other Ministries and Departments.

Reference has already been made to the requirements of the Irrigation Department, many of whose operations will be carried out by the Mechanical and Electrical Department.

95 river vessels, apart from those already cited in respect of the Irrigation Department, are now in service under different Administrative Departments, and the Parliamentary Committee charged with the examination of this question recommended the retention

of a number of tugs, and other vessels, and replacement on the following scale :—

- 47, now fit for service to be retained.
- 15, now unfit „ „ repaired.
- 15, now fit „ „ replaced as and when finances permit.
- 18, now unfit for service to be sold immediately and replaced if required.

It may be of interest to observe that a contract for the supply and erection of a drainage station at Tolombat, near Aboukir, was awarded by direct order to a Swiss firm at a cost of £E.52,000. This represents an unusual departure on the part of the Ministry of Public Works from the accepted principle of open tenders.

Tanzim Department.—The total credit granted to this Department was £E.959,387, representing a reduction of £E.48,237. New works accounted for £E.295,991, which was £E.60,420 lower than in the previous year. New works comprise mostly road developments and the purchase of water and scavenging motor vehicles, etc.

Main Drainage Department.—The total credit for this Department was £E.584,481, representing an increase of £E.91,733 over the previous year. New works were fixed at £E.506,500, which was £E.95,000 in excess of the year 1929-30. Major works included linking up of auxiliary drains with the main collectors and houses possessing drains, for which credits amounting to £E.100,000 were approved under the 1930-31 budget. These were subsequently reduced to £E.70,000.

A supplementary credit of £E.20,000 was later sanctioned for replacement works connected with the new Egyptian State Railway subway at Pont Limoun, Cairo.

A credit of £E.59,000 was approved for the completion of the Damanhour project, but work has been suspended on the Port Said Extension and Zagazig projects for reasons of economy. £E.80,000 was to be devoted to the continuation of the Giza project, while that for Kafr el Zayat was completed in April, 1930.

Physical Department.—£E.68,465, of which new works only £E.5,100. Provision for stores was estimated at £E.19,545, less customs dues, including £E.6,500 for scientific instruments and chemicals and £E.11,204 for weights and measures.

MINISTRY OF FINANCE.

The total expenditure of this Ministry was estimated at £E.3,648,829, representing a net increase of £E.95,046 compared with 1929. Of this expenditure, the shares of the main purchasing Departments are shown hereunder :—

Survey Department.—£E.654,939, of which £E.141,125 for new works. The only item of comparative importance from the manufacturers' point of view, included under the heading of "General Expenses" was the allotment of £E.61,571 for purchase of stores. The more interesting items under new works were £E.80,000 for iron marks required for land registration, and £E.15,000 for well borings in the Western Desert.

State Domains.—£E.515,434, of which £E.108,650 for new works, for the most part for farm development. Under heading of "Farming" this Administration estimated expenditure on purchase of mechanical plant, agricultural machinery, dairy machinery, etc., to an amount of £E.12,280.

Government Press, £E.121,455, of which only £E.2,000 for new works.

Customs, £E.381,185, of which £E.8,300 for new works. "General Expenses" include expenditure of £E.13,389 for stores.

Coastguards and Fisheries, £E.348,229, of which £E.57,240 for new works, including £E.38,240 for a new fisheries research cruiser, and £E.17,500 for a fishing ketch, both of which were purchased in the United Kingdom.

Mines and Quarries Department, £E.55,197, of which £E.26,000 for new works.

Chemical Department, £E.110,562, of which £E.4,448 for stores and £E.62,450 in respect of the operation of the Suez Refinery.

Department of Commerce and Industry, £E.176,754, of which £E.126,000 for new works, comprising the establishment of a Government tannery; bootmaking factory; dyeing factory, £E.60,000. Purchase of weaving looms £E.10,000. Model factory for rice thrashing £E.6,600. Experimental laboratory £E.1,000. Purchase of models £E.3,000. Purchase of books and furniture £E.1,000. Purchase of weighing machines, £E.1,000.

MINISTRY OF THE INTERIOR.

Department of Municipalities and Local Commissions.—Total budget £E.387,000, as against £E.667,615 in 1929-30. New works £E.207,000, comprising advances to Municipalities and Local Commissions for filter installations; water supply; lighting, and drainage works.

Department of Public Health.—£E.1,658,689, of which £E.315,050 for new works.

The new works programme comprised erection of Provincial hospitals, installation of new ophthalmic branches of existing hospitals, leprosy, malaria, tuberculosis, venereal diseases, and bacteriological clinics, child welfare centres, and marine stations, for which a total credit of £E.98,130 for 1930 was allowed.

MINISTRY OF COMMUNICATIONS.

The total expenditure of this Ministry was estimated at £E.8,813,009, representing a decrease of £E.976,171 as compared with budgeted expenditure for the previous year.

Egyptian State Railways.—This Administration were authorised to expend £E.5,860,159, representing a decrease compared with the budget forecast for 1929-30 of £E.458,429.

The Egyptian State Railways expenditure on new works was estimated at £E.1,346,050, comprising last payments for works undertaken in former years, and first payments on projected works such as line and platform extensions, re-laying of track, passenger and cargo river services, motor omnibus services, extension of the power house at Gabbary; new locomotive workshops at Abu Zabal; purchase of 20 steam rail cars.

Under the heading "General Expenses," the total allotment for which was £E.2,640,797, the undermentioned departmental expenditure was included :—

1. Engineering Department	£E.495,456
2. Locomotive Department	1,206,572
3. Carriage and Wagon Department	383,175

A credit of £E.60,000 was included in respect of the new railway line Cairo-Suez,* and a further supplementary estimate of £E.20,000, to be taken from economies effected in other directions, was subsequently sanctioned.

Egyptian State Telegraphs and Telephones £E.1,023,135, of which £E.291,845 for new works. Of this total budget, £E.295,476 was allotted to the Telegraphs Department, (£E.34,400 for new works) and £E.727,659 for the Telephones Department (new works £E.257,445).

The Telegraphs Department budget provided for part payments, and in some cases concluding payments, in respect of mobile wireless telegraph and telephone units with lorries, desert stations at Baharia, Dakkla and Siwa, provision of cables for remote control at new Air Ports at Dakhalia and Almaza, and telegraph and telephone workshop and store (half the cost).

The Telephones Department's budget included the following requirements under the heading of "General Expenses" (£E.121,900) :

	£E.
Provision of automatic exchanges and buildings in Cairo in addition to £E.28,330 under new works	22,740
Ditto—Alexandria, in addition to £E.30,000 under new works	17,000

The expenditure allowed for new works was less than half that sanctioned in the previous budget. Among the works to be sanc-

* Completed in July, 1931.

tioned for the two years 1930-31 and 1931-32, were : Additional subscribers' equipment and public exchanges in 1930-31 costing £E.30,000, and Underground main and branch cables in 1930-31, £E.16,000.

On works begun in previous years, £E.40,000 was to be spent in 1930 on City automatic exchanges and £E.30,730 on buildings, while the total estimate for new buildings for telephone exchanges at Mansoura, Benha, Ramleh, Heliopolis and Alexandria was £E.42,730.

Works to be begun in 1930-31 and spread over several years included Cairo automatic exchanges to comprise suburban city network, on which in 1930-31 £E.5,000 was to be spent. The Cairo-Suez telephone route was to cost £E.6,500 in 1930-31.

Ports and Lights Administration.—£E.407,815, of which £E.196,580 was to be devoted to new works.

Items under the heading "General Expenses" included £E.15,746 for stores; £E.15,291 for fuel; £E.27,665 for upkeep, maintenance, repairs and renewals of quays, jetties, floating plant, lighthouses, beacons and cranes; workshop expenses £E.10,970. New works comprise renewals and repairs of dredgers; floating and mixed plant, lighthouses, slips, machinery for workshops, and harbour researches; also for construction of the pilgrims' jetty at El Tor.

Roads and Bridges Department.—£E.544,571, of which £E.334,024 to be devoted to new works. Under "General Expenses," £E.135,000 was to be devoted to road maintenance. New works comprise construction of 13 road bridges, a share of the cost of replacement of two bridges by wide and swing bridges, and renovation of municipal bridges—£E.39,100. The sum of £E.30,000 was allotted for reconstruction of dangerous bridges. The contract valued at £E.308,000 for the supply of a new bridge at Kasr-el-Nil, Cairo, was placed with a British firm in August, 1930 (see footnote). The budgetary estimate for this work was £E.399,200, but the credit of £E.150,000 appearing in the 1930-31 budget will not be used until 1931 when the work on the bridge will begin. Other estimates included the Benha bridge over the Nile £E.193,979, of which £E.80,000 was to be disbursed in 1930.

MINISTRY OF WAR AND MARINE.

£E.1,975,595, of which £E.68,190 for new works.

Under heading of "General Expenses" of Central Administration and Army, appropriation for clothing, equipment, munitions, bands, instruments, and medicines amounted to £E.119,765. Also a grant of £E.10,314 for purchase of animals. Expenditure on munitions under "New Services" was sanctioned to the extent of £E.20,000.

The greater part of the credit granted for new works comprised new barracks and other buildings, sanitary, lighting and water installations, etc. Expenditure amounting to £E.4,400 was estimated for the purchase of machinery for boot making in the Army workshops. This project is understood to be destined to include manufacture of the footwear requirements of all uniformed services of the Egyptian Government.

NOTES ON THE PROJECT OF THE BUDGET 1931-32.

The efforts made by the Government to reduce expenditure for the current year are particularly apparent in the sub-heading of the budget devoted to "New Works." While estimated expenditure in 1929 under this heading amounted to nearly £E.12,000,000, and in 1930 to £E.9,843,000, in 1931-32 the sum of only £E.5,037,000 is estimated for this purpose. Even this figure would have been still further reduced had it not been for contracts already concluded for the reconstruction of the bridge at Kasr-el-Nil in Cairo, and at Benha, and for certain engagements undertaken by the Administration of the State Buildings Department.

Among the more important new credits may be mentioned the following :—

MINISTRY OF FINANCE.

£E.

- 90,000 for the administration of the Survey Department,
- 34,460 for the administration of the State Domains, most of which is destined for the improvement of the uncultivated lands in the northern zone of the Delta.
- 20,500 for the Department of Mines and Quarries, mainly for the continuation of research work.
- 60,000 for the Department of Commerce and Industry. Of this sum £E.10,000 is to be devoted to the creation of an exchange for agricultural products, and of a bureau for the control of exports; £E.18,000 for a tannery and boot factory; £E.10,000 for a dyeing works where the various processes of dyeing will be taught to the workmen; £E.3,000 for the purchase of looms to be sold on easy terms to small artisans; £E.5,000 for subventions to Chambers of Commerce, and £E.9,000 for industrial experts.

MINISTRY OF THE INTERIOR.

Out of a total of £E.19,778 estimated for new works, £E.12,778 is intended for the purchase of instruments and machines for cotton

*Note :—*The same firm also secured the contract for the supply and erection of the Kafr-el-Dawar bridge at the tender price of £E.13,551. At the end of 1929 another British firm secured the order for a bridge at Edfina, at a price of £E.118,975.

spinning for the Prisons' Administration, for the workshops, and for new carbines for the boulouks-gaffirs.

Under the programme of economy it was decided that the advances generally made by the Ministry of the Interior to local and municipal commissions for water and lighting installations could not be continued. The Ministry of Finance is, however, negotiating with the Banque Misr to arrange that that institution shall make the necessary advances for those purposes to the local and municipal commissions, under guarantee of the State.

Department of Public Health.—£E.30,000 for the equipment of various hospitals.

Municipality Section.—Projects for 1931 :—

	£E.
*Abou-Tig Network	5,100
*Samanoud Network	6,100
*Chebin-el-Kom Waterworks	5,000
*Dessouk Power Station and Network	24,500
*Deirout Power Station and Network	24,000
*Aswan Power Station and Network	27,000
*Guirga Power Station, Network and Waterworks	38,000
Ahmim Network	14,000
Ahmim Waterworks	5,000
Mehalla Network	7,000
Abou-Tig Waterworks	4,000
Samadoud Waterworks	3,500

MINISTRY OF PUBLIC WORKS.

The new works under this Ministry are estimated at
£E.

3,616,772, of which

2,486,000 is for the Irrigation Service, to be divided as follows :—

248,400 for the continuation of the subsidiary works at the Nag Hamadi barrage (Faroukieh canal).

550,400 for the continuation of the raising of the Assouan Dam.

400,000 for the project of Sarw (pumping stations and electric lines).

256,000 for the transformation of the isolated basins.

54,000 for the continuation of the work for the pumping station at Abou el Manga (including £E.40,000 for the machines).

630,700 for the continuation of other works foreseen in the 1930 budget.

222,000 for "arriérés de terrains," etc. (including £E.50,000 for reserve).

The budget of the Irrigation Service included the sum of

89,000 for the improvement of the uncultivated lands at the north of the Delta, and another of

20,000 for the consolidation of the barrages at Assiout and the Delta, and for the construction of the Edfina barrage.

5,000 for the preliminary expenses connected with the reservoir at Gebel el Aulia.

*Tenders already submitted.

It was, however, decided to suppress these credits in this year's budget, pending a detailed study of the projects for submission to the Council of Ministers.

Other credits assigned under this heading to the Ministry of Public Works are destined for the continuation of the works foreseen in the budget in 1930, or otherwise by the Council of Ministers.

The Mechanical and Electrical Department.—This Department is entrusted with the expenditure of

£E.

650,000 in respect of the following major works, but will be authorised to ask for additional supplementary credits of £E.250,000 in the course of the year.

190,000 for the Upper Egypt Transmission Line, towards which credits of £E.120,000 are included in the budget for 1931-32.

55,196 for the installation of a power and pumping station at Tourah. A credit of £E.20,000 is included in the budget in respect of this expenditure. Specifications have been prepared in respect of this project by the Mechanical Department for adjudication next year.

6,000 for the installation of a drainage and pumping station at Rashid. Specifications for this project are now prepared for adjudication next year.

9,000 for the installation of a power station in the Leprosy Hospital.

3,000 for the installation of a filter plant at Edfou.

2,600 for the completion of the installation at El Arish Barracks of a power station.

1,350 for the installation of refrigerating plant in the Serum Laboratory.

The following estimates for large works already in hand are included in the 1931-32 budget :—

£E.

491,000 for the North Delta Pumping Stations and Transmission Line.

23,000 for the Belcas Power Station.

70,000 for the Atf Power Station.

40,000 for the Abou el Minaga Power and Pumping Station.

150,000 for the Isolated Basins Pumping Stations.

46,000 Edfou Power Station.

The project for the construction of electrically driven pumping stations at Nag Hamadi has been postponed until 1934 for reasons of economy.

Main Drainage Department.—£E.23,500 for repairing and enlarging the old principal collector.

MINISTRY OF COMMUNICATIONS.

Central Administration.—£E.12,300 for the renewal of automobiles for the Public Health Department and the School of Veterinary Medicine, and also an automobile fire pump for the aerodrome at Almaza.

Railways, Telegraphs and Telephones.—A total sum of £E.571,500 is assigned to new works for these three public services, and is mainly destined to the continuation of works already undertaken under the budget of the previous year. For entirely new works £E.14,000 appears in the budget of the Railways, and £E.25,000 in that of the Telegraphs and Telephones, which is mainly destined for telegraph lines and automatic centrals at Port Said and Suez.

Ports and Lighthouses Administration.—£E.85,500 for the continuation of works already undertaken.

Roads and Bridges Administration.—Out of a total of £E.204,690, £E.25,000 is destined for the repair, etc., of bridges. £E.110,000 for the bridges of Kasr-el-Nil and Benha, £E.28,000 for the construction of footways on the bridge actually under construction at Edfina, and £E.30,200 for various new projects, the main part of this latter credit being assigned to the construction of a road from Port Said to Damietta, the cost of which is placed at £E.200,000.

MINISTRY OF WAR, AND FRONTIERS ADMINISTRATION.

The total credits amount to £E.45,189 destined for the continuation of the works foreseen in the budget of 1930.

The question of the purchase of aeroplanes for the Ministry of War is under consideration, and, if the purchase is decided upon, a separate note will be submitted to the Council of Ministers.

NEW WORKS DURING 1930.

Ministry of Public Works.—Although drastic economies were introduced into the State budget for 1930-31 the major mechanical drainage and irrigation programme of the Ministry of Public Works was in the main carried into effect during the year under review. Excavating and canal remodelling works were, on the other hand, considerably reduced.

Apart from the two contracts for the second heightening of the Assouan Dam, the second of which was valued at £E.2,300,000 (in round figures) and the completion of the Nag Hamadi Barrage which was formally opened by His Majesty the King of Egypt on the 19th December, 1930, contracts for the following important works were placed :—

- (1) North Delta Transmission contract* valued at £E.600,000 (in round figures).
- (2) North Delta Pumping Stations contract* (15 in number) valued at £E.600,000 (in round figures).

* Placed with a United Kingdom firm.

(3) Power Station at Tolombat, valued at £E.52,000* (in round figures).

(4) Power Station at Tor† required for the supply of electricity to the hospital, valued at £E.5,090.

(5) Erection of a steel building‡ to house power plant at Atf, valued at £E.69,700.

The small pumping station at Maghagha, to which reference was made on page 12 of the report dated June, 1929, was completed at the end of the year at a cost of some £E.7,000. The pumps for this station were supplied by a Swiss firm and the engines by a United Kingdom house.

It should be said that the pumping station at Seru is now completed and that the central power station at Edfou is destined to supply power to the Upper Egypt Isolated Basins and not that at Esna as was originally intended.

While it is gratifying that United Kingdom manufacturers secured the greatest portion of the larger works in 1930, they were less successful in connection with the subsequent contracts for the supply and erection of 12 pumping stations for irrigation and three for drainage purposes in Upper Egypt, which were divided among German, Swiss and Hungarian manufacturers at a total approximate value of £E.250,000. Some consolation, however, may be found in the fact that small portions of the order comprising switch-gear and reduction gears, worth some £E.6,500 and £E.1,500 respectively, were supplied from the United Kingdom.

The contract for the supply and erection of a high tension transmission line taking off from Edfou, in connection with the Isolated Basins Scheme, has recently been placed with a British firm.

Ministry of Communications.— The more important orders placed by the Ministry of Communications during 1930 included that placed by the *Main Roads and Bridges Department* in respect of the Kasr-el-Nil Bridge,‡ valued at £E.250,000.

The contract for the construction of a bridge at Benha was placed with a German firm at their second tender price of £E.196,000, as a result of the decision of the Egyptian Government to request tenderers to submit modified prices, after original tenders had been opened. The successful tenderers presumably benefited by the fall that had taken place in Continental steel prices.

The *Egyptian State Railways* purchased 250,000 tons of coal valued at £E.320,729 in May, 1930, following the order for 165,000 tons in December, 1929. Other purchases included 10 ten-ton petroleum tank wagons‡ valued at £E.6,580 (approximate).

* Placed with a Swiss firm.

† Placed with a German firm.

‡ Placed with a United Kingdom firm.

mately), 20 mixed traffic locomotives* valued at £E.99,500, and 100 steel goods brake vans* valued at £E.55,800 (approximately). The extension of the Gabbary Power Station* was valued at £E.67,802, and the construction of a bridge at Edfina* valued at £E.118,975.

Whereas in the latter part of 1929 twenty side tank locomotives had been purchased from the United Kingdom, the order in 1930 for the same number of mixed traffic engines was secured by a German firm at a price defying competition. During the latter half of 1929 an order for 100 steel goods brake vans was placed in Italy and a similar number was obtained from Hungary in 1930.

The Egyptian State Railways continued during 1929-1930 to order their requirements of steel goods from the Continent owing to the very low quotations submitted, but such drastic economies were introduced into all purchasing Departments that a number of adjudications were cancelled. For example, the falling away in steel purchases was very marked, in spite of the continuance of work on the proposed Cairo-Suez railways and the opening of the Mit Bera line. An order for 150,000 tons of flat bottomed rails had been placed in the United Kingdom and an order for 5,000 tons in Germany during the latter half of 1929, but further adjudication in 1930 for the supply of 8,000 tons was cancelled. Also the estimated requirements of steel sleepers included in the 1930-31 budget at 120,000 tons were reduced to 60,000, the order being placed in Belgium. Similarly orders for 800 m. tons of fishplates and angled stops, 1,200 m. tons of rail saddles and 600 m. tons of track screw pipes, were reduced in proportion, the quantities purchased being also obtained from Belgium at very low prices. The Administration were also able to economise on their sleeper requirements by purchase of 425,000 Karamania (wooden) sleepers from Turkey.

An adjudication for 10 benzine tank wagons and one for 220 perishable goods vans were cancelled at the close of 1929.

Egyptian State Railways purchases of chassis during 1930 for their motor omnibus services amounted to £E.14,748 comprising the following makes :—

12 Renault chassis	...	...	...	£E.5,808
14 G.M.C. Chassis	...	...	...	4,580
8 British chassis	...	...	...	6,580

As will be seen, United Kingdom manufacturers experienced great difficulty in competing with Continental and American quotations for permanent way materials during the period under review. To take as an example quotations for flat bottomed rails, American prices were 11/- per ton, and German 4/- per ton less than the cheapest United Kingdom offers, and as far as the Continent was concerned similar conditions pertained to offers for locomotives, rolling stock, etc.

* Placed with a German firm.

Egyptian State Telegraphs and Telephones.—In continuation of the programme initiated some few years ago the Egyptian State Telegraphs and Telephones are steadily replacing their older manual apparatus by the automatic telephone system, and for that purpose credits were included in the 1930-31 budget for the substitution of an automatic exchange at Alexandria for the existing system. The underground cable project in respect of Cairo-Heliopolis service was estimated at some £E.8,000.

The major part of the last order placed for automatic apparatus was passed to a Continental works at a cost of £E.25,000, a small portion of the contract having been placed in the United Kingdom at an earlier date. It is argued in some quarters that the multiplicity of types of apparatus in use in Egypt must necessarily impair efficient service, but foreign manufacturers consistently quote very low prices for their products, allowing, it would seem, very small margin of profit, if any. Owing to price considerations playing such an important rôle in Government adjudications, even at times at the expense of quality, only competitive offers stand any chance of success.

Small contracts for local underground telephone cables and other minor orders aggregate yearly a total of some £E.30,000 in value, and during 1930 such contracts were worth about £E.60,000. In every instance, however, Continental prices were materially below United Kingdom quotations, with the result that German and Dutch firms obtained substantial orders.

CONCESSIONS.

Among the more important concessions granted by the Egyptian Government during 1930 may be mentioned the following :—

(1) Erection of a super power station at Shubra (Cairo) in the place of the existing plant of the Belgian tramway interests.

(2) Operation of seven routes in the capital by the Egyptian General Omnibus Company S.A. (This concern already employs 498 Egyptians).

Negotiations are in progress for the grant of a concession to an Anglo-Egyptian group, for the operation of certain flying services between the capital and outlying towns. This company will also give ground service to visiting flying craft, and flying and technical instruction to nominees of the Egyptian Government.

Early in the current year (1931) the Egyptian Government granted a subsidy to the Alexandria Navigation Company, and accorded a monopoly to that concern for the carriage of certain purchases from abroad. This company was successful in securing the contract for the transport of pilgrims for 1931. The Alexandria Navigation Company has also made an arrangement with the Conference Liners whereby they will be allowed a share in future shipments of cotton from Egypt. It is stated that this Egyptian

Navigation Company has concluded an agreement with a London firm of shipowners, under which the latter will hand over two of its steamers, which will be placed under the Egyptian flag, and be officered and manned by Egyptians.

GOVERNMENT CONTRACTS.

Egyptian Government purchasing Departments are undoubtedly the best customers on this market, but, unfortunately, many United Kingdom manufacturers abstain from cultivating this business to any great extent.*

It is essential that British firms should send periodically to Egypt one of their Directors, Sales Manager or a responsible delegate to make acquaintance with the agent and the Egyptian Government officials and to study the local conditions, so that all recommendations made by the agent from time to time can be easily understood at home and complied with. This policy is adopted by many Continental firms and it has proved to be very advantageous.

One of the reasons why British firms fail in competition, is that many British manufacturers do not realise the importance of submitting samples with their offers when the tenders call for such. Some firms refuse altogether to send out samples unless these are paid for; others send samples in small quantities or inadequate sizes. In order to gain and maintain a market it is necessary to make some sacrifice, and that is what Continental firms are prepared to do.

Another point to which attention has been called is that many British manufacturers are conservative as regards their special designs and will not tender for a design that slightly differs from their own, although often they could easily alter their design to suit the demand. Continental firms, and especially German firms, tender for any design that may be required and generally do not hesitate to go to heavy expense to meet the demands of the market and even of one Department of the Egyptian Government.

It is also said that many British manufacturers do not want to tender for Government contracts owing to the fact that some time elapses before payment is received for the goods, and that they have also to outlay the necessary funds to meet customs dues and expenses for transport up to the Department's Stores in Cairo or Alexandria. Except the Egyptian State Railways, Telegraphs and Telephones Administration, who still sometimes consider quotations for delivery f.o.b., or on quays at Alexandria or Port Said, customs dues excluded,† the majority of the Departments

* Information regarding regulations governing Egyptian Government contracts may be obtained by application to the Department of Overseas Trade.

† Government Departments are now practising a suggestion that was made by the United Kingdom Trade Mission, to the effect that quotations for Government purchases should include a fixed sum for duties, the actual amount being adjusted on the termination of the contract.

require quotations for delivery into the Department's Stores in Cairo or Alexandria. Therefore, in addition to the deposit of 2 per cent. of the value of the offer and then 10 per cent. of the value of the order—either in cash or in form of a letter of guarantee—the successful tenderers must meet the expenses for customs dues and for transport to the Departments' Stores. Payment of the invoices is made by the Department concerned some weeks after inspection and acceptance of the goods.

It is astonishing that British firms should find difficulty in meeting these conditions when Continental firms, whose financial situation is certainly no better, find themselves able to compete on the conditions imposed. It is stated, however, that the Continental banks afford considerable assistance to their manufacturers.

As is well known, the regular purchases of the Egyptian State Railways, Telegraphs and Telephones are the most important as compared with all the other Departments, except abnormal contracts placed by the Ministry of Public Works. The former Administration keeps lists of approved suppliers and only the firms appearing in these lists are allowed to tender.

The lists referred to are revised at long intervals and it may take a new firm several years before getting their name included on the lists. It happens that some firms who are on the lists are busy on orders for other countries and may therefore have no interest at a certain date to obtain orders from the Egyptian Departments concerned. Other firms who are ready to execute orders for the Department in question cannot tender because their names are not on the lists of approved suppliers. This is a great handicap to manufacturers and as the Egyptian State Railways, Telegraphs and Telephones cannot be expected to do away with the present procedure of having lists of approved suppliers, it is to be hoped that they will revise these lists at shorter intervals. The Egyptian State Railways' lists were revised early this year, and consideration was given to all firms who had applied for inclusion since the last revision.

The financial situation of the Egyptian Government, even in these hard times, may well be envied in many quarters, and there seems to be no reason why British firms should hesitate to deal with that Government, since invoices have always been paid without undue delay, provided the material is supplied in accordance with the tenders and samples submitted.

Egyptian Government Protection Policy. — Ministry of Finance Circular No. 25 of 1930 was published on the 13th September, 1930, authorising preference for local products in Egyptian Government contracts, provided that quality and durability of the articles concerned are equal to those of corresponding imported lines, even if the difference in price is 10 per cent.

The same order instructed purchasing departments to revise their specifications with a view to eliminating conditions which ex-

explicitly indicate any particular mark or type of article or favour foreign goods.

In order to avoid loss of time and trouble to foreign manufacturers instructions are now given to Government Purchasing Departments, when drawing up specifications, to state where it is the intention that the adjudication shall be limited to local tenderers.

POLICY FOR IMPROVEMENT OF THE COTTON MARKET.

In the course of the last ten years the Egyptian Government has sought in one way or another to find a remedy for the condition of the cotton market, whether the fall in prices was due to world wide over-production, or was the consequence of instability in the factors of supply and demand, or whether it was determined by a depression in the local market artificially produced.

In the years 1921, 1922, 1923, 1925 and 1926 the Government, as a result of pressure from agricultural interests, decided to intervene in the " Spot " market, while overlapping attempts to regularise the supply and demand and to stave off a glut on the market were made in 1926, 1927, 1928 and 1929 by granting loans to cultivators. In 1926 the Egyptian Government took the further decision to intervene in the " futures " market, a policy which was followed again in 1929 and has resulted in the Egyptian Government being to-day holders of cotton stocks to the extent of about three million cantars.

That these measures only exercised a temporary alleviation became evident on each occasion in which recourse to intervention was made, and no more instructive example need be taken than the intervention of 1929, for whereas on some former occasions improvement in the world markets, over-estimation of the American crop, and comparatively important sales of Government stocks to Soviet Russia, favoured the Egyptian Government, no such turn of fortune came to the rescue in 1929. Whilst the Egyptian Government was successful for a short time in raising prices, its measures, which had the effect of averting the crisis for the moment, in no way overcame it. By checking the fall in price, it enabled the grower—so long as the Egyptian Government was a buyer—to sell his cotton at returns which were the envy of growers elsewhere, and the merchant to realise a profit for which he had never hoped; but as soon as the Government's support was withdrawn prices declined swiftly and the *status quo ante* returned.

These unsatisfactory conditions are now appreciated by the responsible authorities who advocate the adoption of a stable cotton policy which should be based on natural and permanent elements,

and pay due regard to conditions recognised as inherent in the production of cotton in Egypt.*

It may be said that the agricultural problem embraces two important factors, viz. :

- (1) The cost of production,
- (2) The size of crop and the varieties to be produced.

Under (1) above, the principal elements to be considered are :—rent, cost of seed and manure, expenses of watering, expenditure on live stock, machinery, upkeep, and labour.

The chief factor in the situation is rent, and to alleviate as far as possible this burden borne by the Fellaheen, the Egyptian Government, by Decree Law No. 54 of December, 1930, prescribed that any tenant who has paid four-fifths of the rent owing by him during the calendar year ending on 31st December, 1930, should be immune from legal proceedings to recover the remaining one-fifth or any arrears of rent in respect of earlier years. This immunity is to continue until 1st September, 1931, unless in the meantime the economic situation returns to normal and the Egyptian Government rescinds the law. The unpaid amounts will remain to the credit of the landlords to be collected when conditions improve.

Agricultural education and demonstration are subjects in which Egypt is lacking, the few Government experimental farms now in operation not being designed for demonstration, while the standard of agricultural school education is too low.

In the past there was a tendency to limit the production of cotton in Egypt, which amounts to 8,000,000 cantars, or about 5 per cent. of the total world production. Expert observers consider, however, that the obvious course for Egypt to take is to cut down production costs and increase the yield per feddan in order to meet competition from cheap cotton and the silk and artificial types which have so markedly replaced certain lines of cotton goods in the world's markets. Furthermore, much depends upon the choice by cultivators of the best seed and the improvement of the soil conditions.

Existing facilities for agricultural loans when the cultivator can offer security in land or crops were, and still are, adequate in the ordinary way, but owing to the prevalence in the villages of recourse to usurers the first measures to protect the Fellaheen were introduced in 1894 when 5,000 ardebs of seed were distributed. These quantities were increased in subsequent years and the assistance extended to Government loans through the National Bank to small holders. The Agricultural Bank* was later founded in 1902 in conjunction with Sir Ernest Cassel's group, but after a long period of wise and helpful operations the promulgation in

* A Note, prepared by the Under Secretary of State in the Egyptian Ministry of Finance, outlining the basis for a stable cotton policy, can be examined at the Department of Overseas Trade.

1913 of the 5 Feddan Law put an end, to all intents and purposes, to that bank's small loan advances, with the exception of the advances authorised in 1921.

The policy of assistance to small cultivators was extended again during the cotton seasons 1926-27 and 1928-29, when sums of £E.2,035,969, against 575,740 cantars, and £E.352,799, against 100,434 cantars respectively, were lent by the banks on the Egyptian Government's behalf and were continued during 1929-30 when the sum of £E.598,808 was advanced against 168,899 cantars.

In 1929 the Egyptian Government took a further step with the intention of assisting the Fellah by the promulgation of Law No. 54 authorising Agricultural Advances. The object of this law was to supply cultivators with selected seed and good manures and to help them meet the cost of production. The sum of £E.1,717,000 was so advanced during that year and the experiment of granting loans in respect of picking costs, which was only moderately successful (only £E.33,083 being advanced), was also tried. During 1929-30 seed and manure to the value of £E.934,553 was distributed.

By the close of October 1930, however, the Egyptian Government had invested £E.17,750,129 in cotton purchases and agricultural advances. This figure, of course, includes the sum of £E.1,611,998 representing the cost of purchase, storage, insurance, commission, etc., in respect of the 1926 cotton stocks, less sales realisations.

LOANS TO CO-OPERATIVE SOCIETIES.

Since the promulgation of Law No. 23 of 1927 governing Co-operative Societies, loans advanced by the Egyptian Government to these Societies have grown in relation to their increase in number, with the result that the credit opened for that purpose in 1927 of £E.250,000 has been exhausted and a further credit of £E.100,000 was opened in August, 1930. In estimating the value to small holders of these advances account must be taken not only of the face value of these loans but also the number of times that they have been turned over. Loans are usually made for a period of one year. The money for this purpose is advanced by the Banque Misr on that bank's own responsibility, the maximum rate of interest being 4 per cent. The Egyptian Government holds a general power of supervision over loans to Co-operative Societies. In 1930 some 210 Societies were granted loans approved by the Banque Misr amounting to a total of £E.320,000.

The foregoing is a brief outline of the hastily conceived expedients of the last few years which may in many instances

* Not to be confused with the new Agricultural bank constituted under Law No. 50 of 1930 (See Appendix No. 33).

have served useful purposes, but have not generally succeeded in delivering to any great extent the Fellah from the usurer, as the slow machinery of Government advances, the peculiar relationship between landlords and tenants, and the failure in many cases of the recipient of advances to spend the money received for the purpose for which it was intended, have all tended to bring in that very usurer, to curtail whose operations the measures in question were intended.

The foregoing, of course, in no way applies to the larger cultivators to whom banking and credit facilities are made available by the large banks and old established merchant houses. It should be clearly understood that these observations disclaim any intention of dealing with the technical side of Egyptian Agriculture. It should, however, be stated that Egypt possesses a more highly developed system of cotton seed supply than perhaps exists in any other country.

At the same time it cannot be overlooked that there remains a great deal to be done in improvement of soil by means of drainage and in irrigation works generally which have, unfortunately, been held up.

The Egyptian Government introduced in November, 1930, a law authorising the formation of an Agricultural Bank under its own auspices. The objects of the new bank, which has not yet opened operations,* are described in Appendix XXXIII to this report, but whether this latest attempt to place agricultural credit on an organised basis will succeed in facilitating the financing of the crop is a matter for conjecture, for the salient fact remains that it is not loans but earnings that are necessary for the welfare of the country. *Prima facie* the new bank is not intended to compete with private banking and credit concerns, though some of its provisions have in certain quarters caused anxiety. The majority of the more important banks operating in Egypt have, it may be added, subscribed capital to the new Agricultural Bank which is to commence operations this autumn.

LEGISLATION.

The following were some of the more important measures promulgated during 1930.

Ministerial Arrete No. 78 of 1929 (published 2nd January, 1930) setting up a Commission in the Ministry of Finance to study and report on certain questions connected with the Sugar Cane industry in Egypt, with particular reference to the question of protection of the local industry by increased duties on imported sugar under the new Customs Tariff.

Ministerial Arrete of 30th December, 1929 (published 6th January, 1930) laying down additional conditions for the obtaining

* The Agricultural Bank opened its doors on the 15th August, 1931.

of permits for motor 'buses. These conditions relate to solidity of construction and security, and were rendered necessary by the large number of decrepit and dangerous 'buses plying in the streets.

Law No. 2 of 1930 (14th February) modifying the Customs Tariff. (See next Section.)

Law No. 3 of 1930 (14th February) providing that all excise duties on the produce of the soil or national industry imposed by previous decrees can be modified by decree having the interim force of law till a law on the subject comes into force.

Royal Decree of 14th February, 1930 (made under the provisions of Law No. 2 of 1930) setting out in two annexed Tables A and B, the customs duties to be levied as from the 17th February, 1930. It also lays down precise conditions as to estimation of weights and merchandise for purposes of duty. By this decree the change is made from a uniform *ad valorem* duty on imports in general to a general tariff consisting partly of specific duties and partly of *ad valorem* duties at varying rates.

Royal Decree of 14th February, 1930 (made under Law No. 3 of 1930) in regard to excise duties on produce of the soil or national industry.

Royal Decree of 14th February, 1930 (made under Law No. 2 of 1930) in regard to excise duties on imported products, to be levied as from the 17th February, 1930, on the products enumerated in the annexed Table.

The provisions of the previous decree (excise duties on produce of the soil, etc.) are made applicable for this purpose to imported products.

Ministerial Arrete No. 11 of 14th February, 1930, exempting for one month, as from the 17th February, 1930, all imported produce from liability to payment of the supertax, provided for in Art. 2 of Law No. 2 of 1930.

Ministerial Arrete No. 39 of 1930 continuing in force for a further period of a month, as from the 17th May, 1930, the Ministerial Arrete No. 11 of 1930, suspending generally the collection of the surtax provided for in Article 2 of Law No. 2 of 1930 (Customs).

Ministerial Arrete of 5th July, 1930, extending the "Reglement sur le travail" of children in cotton ginning factories (Law 14 of 1909) to establishments for the threshing, combing, pressing or other operation in regard to wool, hair, jute for commerce.

Ministerial Arrete of 13th July, 1930, withdrawing from the tables of poisonous substances annexed to the Decree Law No. 14 of 1929 (Pharmacies) the following substances: oxide of zinc pommade, boric acid solution, tincture of iodine, liquid ammonia, permanganate of potash solution, corrosive sublimate, cyanide of mercury, collyrium (prepared according to the Pharmacopœia of the Egyptian Government Hospitals), mercury pommade and "pommade precipite jaune."

Royal Decree of 24th July, 1930, modifying the Customs charges on certain articles in Table A of the Decree of 14th February, 1930—the modifications applied to foodstuffs, fruit and cereals.

Ministerial Arrete of 3rd September, 1930, modifying the arrete of 16th July, 1913 (modified in 1915 and 1917), containing regulations in regard to automobiles.

Royal Rescript No. 68 of 1930 setting up a local committee under the presidency of Ismail Sidky Pasha to organize the 12th Session of the Association of the International Railway Congress which it is proposed to hold in Cairo in 1933.

Decree Law No. 45 of 1930 modifying Article 6 of Law No. 2 of 1930 (Customs Tariff).

Art. 6, as modified, allows the Government to conclude with foreign governments agreements in regard to reciprocal most favoured nation treatment, provided that the duration of these agreements is not to exceed two years from the promulgation of the present law. Formerly the period was one year.

Decree Law No. 50 of 1930 authorising the Government to take part in the formation of a " Société Anonyme " with a view to the creation of an Agricultural Bank.

Ministerial Arrete No. 96 of 1930 suspending until further order the surtax provided for in Art. 2 of Law 2 of 1930, in regard to goods of whatever origin imported into Egypt.

Decree Law No. 51 of 1930 deducting a sum of £E.3,000,000 from the General Reserve, to be added to the Agricultural Reserve. This measure is intended to cover advances to cultivators on their cotton crops, and is to be repaid to the General Reserve according as the mounts of advance are recovered, and from the sale of cotton held by the Government, as well as from the cotton tax, as from the year 1930-31.

CUSTOMS LEGISLATION.

By Decree Law No. 2, dated the 14th February, 1930, the Egyptian Government applied, as from the 17th of that month, the new tariff regime in substitution of the *ad valorem* duties previously in force. References to the various enactments made during 1930 under this law appear under the heading " Legislation."

The new law was provisionally accepted for a period of one year by His Majesty's Government, together with the tariff schedule then published, with such minor modifications as might lawfully be introduced, the new Excise Law No. 3 of the same date, and the continued application to their nationals of the existing Reglement Douanier. Other Powers made somewhat similar arrangements with the Egyptian Government. The provisional acceptance by His Majesty's Government was subject to the proviso that British subjects and goods of British origin will enjoy reciprocal most favoured nation treatment in any circumstances

that may arise, and that the double duty imposed by Article 2 of the law (surtax) will in no circumstances be applied to British subjects and goods of British origin. It was further stipulated that the acceptance of the law by His Majesty's Government must not be considered as an acceptance of any limitation of the rights of recourse to the Courts enjoyed by British subjects in respect of administrative decisions of the Egyptian Government.

The question of quay dues, imposed under the tariff, has aroused much adverse comment in business circles, as it is considered that these duties, which amount to 10 per cent. of the customs duty payable on any shipments imported, in the place of the former 0.45 per cent. dues at Alexandria and Suez and 0.70 per cent. at Port Said calculated on the value of the goods imported, constitute a severe handicap on imported goods where the specific duties are high. Moreover, it is contended that the revenue from these dues is not devoted to the purposes for which they are ostensibly levied. It is hoped that these dues may eventually be merged in the tariff, a certain percentage of the duty collected being, in that event, placed at the disposal of the port towns.

To attempt to enumerate the many modifications in duties (the main objects of these changes being to encourage local industry and to supplement revenue), since the application of the new regime, would require considerable space.* While objections were originally made to the abandonment of the *ad valorem* system by some British merchants, it would seem that, in general, the adoption of the system of specific duties has not affected United Kingdom imports quite to the extent that would have been the case had the *ad valorem* system been retained throughout, with a general increase of the duties. Moreover, the practice of specific duties largely overcomes the difficulty of false invoices. It should be observed, however, that both during 1930 and in the first quarter of 1931 practically all modifications introduced constituted further increases in duties.

COMMERCIAL RELATIONS AND TREATIES.

After the introduction of the new Egyptian Tariff in February, 1927, which coincided with the termination of the last Commercial Treaty between Egypt and a foreign Power, a Provisional Commercial Agreement for one year was entered into by exchange of Notes dated June 5th and June 7th, 1930, between His Majesty's Government in the United Kingdom and Northern Ireland and the Government of Egypt on the basis of reciprocal most favoured nation treatment, and with effect from the 17th February, 1930.

The terms of this Convention are not applicable to certain limitrophe countries.

* Full information regarding the rates applicable to imports and exports may be obtained by application to the Department of Overseas Trade.

By a further Exchange of Notes dated 10th and 11th June, 1930, the terms of this provisional Anglo-Egyptian Commercial Convention were made applicable to His Britannic Majesty's non-self governing Colonies, Protectorates and to British Mandated Territories shown in Appendix XXXI to this report.

The terms of the Anglo-Egyptian *modus vivendi* were also extended by separate Exchange of Notes to all His Britannic Majesty's self-governing Dominions (with the exception of Newfoundland and Canada), India and to Iraq, Palestine, and Trans-Jordan.

A separate provisional Commercial Convention on the basis of most favoured nation treatment was also concluded between the Irish Free State and Egypt.

The provisional Anglo-Egyptian Commercial Agreement and the adhesions of the self-governing Dominions were renewed for a further period of one year, with effect from the 17th February, 1931.

Agreements on similar lines were concluded by Egypt with practically all other countries.

During the period under review the Egyptian Government adhered or re-adhered to the following International Conventions, Conferences, Agreements, etc. :—

Commission Internationale pour l'Exploration Scientifique de la Mer Mediteranee. (Re-adhered for 5 years at the Conference held at Malaga from April 25th to 28th, 1929.)

International Poultry Congress, London.

Pan African Veterinary Congress, held at Pretoria.

Mecca Pilgrimage Conference held at Paris, October, 1930.

International Drug Convention held at Berne.

The Convention of International Régime of Railways.

Xth General Assembly of the International Agricultural Institute at Rome, October, 1930.

International Postal Convention.

Ratification of the International Convention in regard to Economic Statistics and its protocol signed at Geneva on the 14th December, 1928.

The Egyptian Committee of the International Cotton Commission met at Alexandria on the 30th January, 1931, when a resolution was adopted fixing the degree of humidity to be accepted and recommending the creation of a Government Bureau for the purpose of deciding the condition of samples, to which exporters and spinners may appoint delegates.

It was decided that this resolution should come into force from the 1st September, 1931, and remain valid for one year.

The terms of the proposed law governing cotton mixing are still under consideration.

COMMERCIAL LEGISLATION.

Company Law.—It will be remembered that the main objection raised by the foreign commercial communities to the Company Law of 1927 was the requirement that at least one quarter of the shares and debentures issued by the company must be at the disposal of the public in Egypt, and of this quarter four-fifths must be exclusively reserved for Egyptians. If this quarter be not subscribed before closure of the issue, the Council of Ministers can either postpone the date of closure for three months or waive their right to do so. These restrictions as to the issue of capital have not, however, been enforced in practice.

It is manifestly desirable that the law affecting companies should be put on a permanent legal basis, and the matter has not been lost sight of by the Egyptian authorities. It must be, however, borne in mind that legislation of this nature, particularly when the conflicting desiderata of various interests are to be reconciled, cannot and should not be hurriedly introduced.

Trade Marks Law.—It has for many years been possible to effect a registration of trade marks in Egypt, and for the last eighteen months or so a very careful register of trade marks has been kept by the Mixed Courts. While such registration does not afford the protection which may be obtained by registration in countries in which there is a satisfactory Trade Marks Law, registration with the Mixed Courts may be of considerable value in enabling the owner of a trade mark to establish proof of "user." Apart from registration, owners of trade marks do in fact enjoy a considerable measure of protection in Egypt, and the Mixed Courts have not been slow, where circumstances warrant it, to award adequate civil damages to a trade mark owner whose rights have been infringed.

The desirability and practicability of introducing more precise trade marks legislation had already been brought to the notice of the Egyptian Authorities by the Residency, and was further discussed by the United Kingdom Trade Mission during their visit to Egypt in February, 1931. The matter, it is understood, is now being closely examined by the Egyptian authorities concerned.

The question of legislation regarding the protection of industrial property, i.e., the prevention of imitation of appearance, as distinct from infringement of trade marks, is also receiving attention, but for various reasons is attended by considerably more difficulty than is the question of trade marks.

Insurance Law.—The draft of the proposed Insurance Law is still under consideration by the authorities, but it is understood that the Egyptian Government intends to circulate the proposed terms to the leading insurance companies for their observations. Thereafter, it will be re-examined by the various departments concerned.

It is understood that, with the exception of certain amendments in the original wording, the draft law has been modelled on the bill prepared by the Clauson Committee, which discussed insurance legislation at Rome.

Bankruptcy Law Administration.—For many years there has been growing dissatisfaction among the reputable trading community in the country, with the operation of the bankruptcy laws, and it is satisfactory to record that, in the autumn of 1930, the Government called upon the various chambers of commerce in Egypt for an expression of their views on the subject, and are understood to be studying possible means of improvement in the administration of the law in the light of the suggestions received from those bodies.

The dishonesty of the debtors, the lack of sincere co-operation among the creditors, and the over-burdening of the officials of the Mixed Courts—with particular reference to the “Juges Commissaires”—are some of the main causes of the existing dissatisfaction among honest traders. Nevertheless, it is believed that much might be done to improve the situation without any very drastic changes in the system.

It is the present practice of the dishonest trader—when in financial difficulties—to lodge his books at the Mixed Courts, and proceed to propose a “concordat preventif” at some low figure, which is generally accepted by the creditors of both good and bad faith as the alternative would be to enforce bankruptcy proceedings which are protracted and result in heavy and needless expenses. The privileges of a “concordat preventif” were intended for the honest but unfortunate debtors, but owing to the fact that the application of the bankruptcy laws are not rigidly enforced, due on the one hand to the over-burdening of the Court Officials, and, on the other, to the fact already mentioned that litigants prefer to compromise rather than to allow the law to take its course, the system is in practice gravely abused.

In the same way, as witnessed by the ever increasing number of protests, a bill of exchange is, among a certain section of the business community, no longer regarded as an instrument to safeguard the payment of a debt, but is become, owing to the lack of stigma attaching to having a bill protested, merely a measure of accommodation involving responsibility only as and when convenient.

In June, 1930, the total number of protested bills of exchange was 5,640 and during December of the same year increased to 7,200. In January, 1931, there were 7,790 protested bills and 6,560 in May.

The number of declared bankruptcies for the first five months of 1931 amounted to 247 as compared with 182 for the corresponding months of 1930.

STOCKS AND SHARES.

The Egyptian stock market is peculiar in that it is dependent on the price of Egyptian cotton, a fall or rise in which is immediately reflected in stock and share values. The market is also very dependent upon European and financial movements, as a large part of the country's financial resources are controlled by foreign banks and companies, which depend again upon their head offices abroad.

The year 1930 was a very unhappy one for investors generally. The financial depression was of a world-wide character, and stocks and shares of almost every description depreciated rapidly and, in a great number of cases, very considerably. The deflation in prices in Egypt was comparatively less than in many other countries, not excluding Great Britain. Many factors, however, combined to make this year an extremely unsatisfactory one. The cotton situation, as well as the political one, was very disturbing, and the pessimistic views adopted and frequently publicly expressed, all contributed to the collapse of prices to levels which, it is contended, were considerably below the intrinsic value of the scrip in question. In Egyptian Government stocks the fall during the year 1930 was about 12 per cent., Egyptian Unified Debt having declined from about 80 to a fraction below 70. The depreciation in bank shares was greater, Nationals falling from $34\frac{1}{2}$ to $26\frac{3}{4}$ —Agriculturals from $7\frac{3}{4}$ to $6\frac{1}{2}$, Land Banks from $15\frac{1}{2}$ to 9, and Credit Foncier from Fcs.869 to 674. Certain foreign banks quoted in Egypt also suffered considerably in anticipation of reduced dividends.

The class of share to depreciate most was that of the land companies whose shares fell rapidly in conjunction with the sensational fall in cotton. Seeing that cotton is the most important factor governing all the markets of Egypt, it was not surprising to see a decline of over 50 per cent. in the price of the shares of certain land companies.

Industrials also suffered heavily. The Salt Companies, Sucreries d'Egypte, the pressing and ginning industries, breweries, ice companies, oil, cement, etc., were all affected, and the prices of their shares declined steadily during the greater part of the year. Then as a result of a big falling off in the tourist traffic during the winter of 1929-30, and dismal prospects for the following winter, hotel shares declined heavily. The only exception to the general collapse was in the case of Suez Canal bonds, which, on the contrary, rose to a basis of yield of less than 5 per cent. The explanation of this is in the fact that owing to the lack of confidence displayed by the public in almost every other security, large sums of money were invested in Suez Bonds, the persistent buying forcing the price of the five per cents. above par and the three per cents. in proportion.

For the most part, the year was characterised by stagnation in business, which is usually the case in times of steadily falling markets. A certain amount of speculation took place but this was difficult and dangerous. At one period of the year action was taken by the Commission de la Bourse in conjunction with the Egyptian Government to prevent or to check the dangerous speculation that was going on. Jobbers were suspended and delivery of securities was enforced at the expiration of 48 hours after purchase, a rule of the Stock Exchange which is not strictly observed in normal times.

From November onwards a better tone prevailed in the markets and investors began to buy timidly and on a very small scale. The movement continued for the remainder of the year by which time prices had recovered to some extent, and most people looked forward to the termination of the disastrous year of 1930 with hopes of further improvement in 1931, despite the absence of general conditions to warrant any sudden return to prosperous times. October was the month in which the lowest prices were realised and it is thought in many quarters that a good many years may elapse before such bargains may again be picked up.

II. TRADE AND INDUSTRY.

OUTLOOK FOR BRITISH TRADE TO EGYPT.

British traders, and indeed traders in every country interested in the Egyptian market, have recently had the advantage of learning the views of the United Kingdom Trade Mission composed of prominent British business men who, in the course of a three weeks' visit to the country in the early part of the year, not only interviewed some hundreds of local business men, both foreign and British, but visited a number of the most important and characteristic undertakings in the country. Moreover, through the interest graciously shown by His Majesty the King of Egypt, and the courtesy and kindness of the Prime Minister and his colleagues and the leading permanent officials of the various Administrations, the Mission were afforded additional and unique opportunities of obtaining a comprehensive view of the potentialities of the market and its difficulties, and of the aims of its administrators.

The Report drawn up by the Mission, and published by His Majesty's Stationery Office, speaks for itself.* What, however, is not mentioned in the report is that the admiration inspired by the tireless energy of each member of the Mission, was only equalled by the great personal popularity they achieved among all with whom they came in contact.

* The Report of the United Kingdom Trade Mission to Egypt is purchasable from H.M. Stationery Office (see cover). Price 1s. 6d. net.

In the presence of the Mission's report, it is hard to place on record other suggestions in regard to British trade to this country, without risking the charge of repetition. But as the Mission's Report itself shows, they consider that certain facts, though apparently obvious, and indeed, already repeatedly emphasized by other observers, are still not as generally recognized as they might be.

Appointment of Agents.—Leaving on one side for the moment the all important question of price, the recommendation of the Mission that the greatest care should be exercised in the selection and supervision of agents, with its corollary that directors or other responsible members of home firms should visit the market at frequent intervals, cannot be too strongly emphasized. The Overseas Officers of His Majesty's Government, the British Chamber of Commerce of Egypt, and the local representative of the Federation of British Industries, are always ready to give all the assistance in their power to British firms seeking local representation, but it is astonishing that so many British firms apparently let themselves be persuaded into business relations with plausible visitors—or even correspondents—from this country, without reference to any of these sources of information.

Credit.—It must be remembered that Egypt is a highly competitive market, and that owing to its Oriental character all internal business (and to a large extent also the import trade) is conducted on credit terms—and credit in the Oriental, and not in the Western, conception of the word. The stress of competition has stretched even that elastic conception to a point that is barely comprehensible to a Westerner who has not visited the market, and the advice that a responsible member of the home firm should visit the market, is based not only on the necessity for studying its requirements and the manner in which competitors are catering for them, but also on the equally great necessity for gauging the discriminative capacity of the agent in matters of credit, and the extent to which he may be finding himself forced by the liberality of the credit given by competitors either to extend his own credit terms or to be faced with a contraction of his order book and consequently of his commission.

The growth of extended credit facilities of recent years has naturally received an impetus both from the increased competition resulting from the extension of industrial effort in other producing countries, with the consequent necessity for finding markets for increased output, and from the reduced buying capacity of the Egyptian market. This has led to considerable overtrading and overstocking, with the accompanying disorganization of the market by more or less forced sales of goods which the original customers have failed to take up.

While British exporters have naturally suffered from this state of things, which applies particularly in the case of commodities

of more general consumption, there is one side of this question of credits which, from the British point of view, is more comforting. Up to some few years ago one of the more frequent criticisms levelled against British exporters was that they were slow to give credit and prone to insist on "cash against documents." To-day such complaints are noticeably fewer, and from a gratifyingly large number of importers one hears that British shippers are quite prepared to consider reasonable credit terms, and even to grant generous terms to clients of proved worth. (Unfortunate instances are sometimes, nevertheless, quoted where, after years of satisfactory trading, some British firms, when some comparatively trivial misunderstanding has taken place, apply their trading rules as rigorously to an old and tried customer as they would to a new and unknown man.)

Another satisfactory aspect of British trade with this country can also be recorded. Despite the still too frequent carelessness in appointing agents to which reference has just been made, the majority of British firms in this country are, it can safely be said, well and loyally served by their local representatives. This fact is borne out by the *comparatively* small number of bad debts incurred by British firms, showing that the agents in the majority of cases have chosen their customers with care and have not been led away by that desire to fill their order books which has often characterised the local agents of competing exporters. Although it is not possible to bring statistical proof it can be safely said that if, instead of the figures of the goods passed through the Customs, it were possible to compile statistics of the goods for which the exporters had received the full invoice value, the comparative position of British trade to this country would show better than it does.

Competitive position.—In considering the highly competitive nature of the Egyptian market it must be borne in mind that, despite its population of some 14,500,000 people and the very great progress made of recent years in various directions, there are probably only some 2,000,000 people in the country who are potential customers for the larger number of western manufactured products. (The fellah, of course, requires cotton for his clothing, fertilizers for his fields, and is either directly or indirectly a consumer of various petroleum products, but beyond these his requirements of western products are very small, and in the present economic crisis his consumption is reduced to a minimum.) Of the section of the community who do buy western manufactured articles the wealthier probably disburse the greater amount of their yearly expenditure abroad, buying only their more day-to-day requirements from local establishments. Of the remainder, considerable sections are, at any rate to some extent, influenced by their national feeling or their upbringing, and it is only in the case of a comparatively small minority that such bias is in favour

of British goods. Furthermore, as the report of the Mission bears witness, quite apart from any national or educational bias on the part of individuals, the weight of a number of important non-British undertakings in this country is naturally thrown into the scales in favour of buying in their own home markets.

The reputation of British goods for high quality is still generally accepted as almost axiomatic, but, like many axioms, is not necessarily accepted by the individual in his private life unless it is brought forcibly home to him. Much has been said, and said repeatedly, of the value of visits to their foreign markets by British manufacturers, but it would be well that the advertisement value of such visits should not be overlooked. In cases which are known where British directors or managers have visited Egypt and made the personal acquaintance of their customers, a tangible benefit has nearly always resulted. The mere fact that the maker of a certain article has been to visit him, if it does nothing else—and it almost invariably results in an order, even though it be a small trial order—serves to impress on the mind of the customer that manufacturer's name. It is difficult to over-estimate the advantage which the manufacturer himself obtains from the knowledge that such a visit gives him of the actual requirements of the market, of the nature of the competition his goods have to meet, and of the mentality and methods of business of the customers with whom his local agent has to deal, and of the public who are the actual consumers of the goods. That such a visit cannot but have directly advantageous results on the relations between the manufacturer and his agent is manifest.

The purely human side of the value of such visits must also be remembered. To give a remarkable, though negative, example it may be mentioned that not so very long ago a British manufacturer happened to be in Cairo on a holiday. A local merchant with whom that manufacturer had for a long time done business running into thousands of pounds a year, happened to hear of his presence in the capital. The British manufacturer took no trouble to call on his customer, with the result that the local merchant, offended, decided to place his orders for that particular line of commodities with a competing foreign firm. It cannot too strongly be emphasized that, in these days of ever-increasingly keen competition, unless "trouble" is taken new business will not be obtained, nor existing business relations be retained.

Agency Conditions.—The Mission have also given their weighty support to the recommendation that the home firm should help their local representative "to carry the baby." All too often, it would seem, the British exporter considers that his share of promoting his own sales has been fairly done when he has shipped his goods—possibly against cash with order—leaving the agent to do all the further financing that the marketing of the goods may entail. In the case of old-established and wealthy local firms this procedure has doubtless had its advantages from both points of

view, but, with the slow payments resulting from the present crisis, even wealthy local firms now deserve lenient and sympathetic treatment by the home firms. When, however, there is question of a young firm and, perhaps, a new article, it is scarcely reasonable to expect success unless the home firm is prepared to assist the local man until he has established his business on a remunerative basis.

This brings to the fore the question, lately so freely ventilated, of "combined selling agencies," where a number of manufacturers of allied but non-competitive goods arrange to appoint a single agent to represent them. Where agencies are already established there are obviously various difficulties to be overcome, but the principle is undoubtedly sound and deserves the very careful consideration of British manufacturers. Pursued to its logical conclusion this principle would result in the local agent becoming the salaried sales manager, with presumably a small commission, of the various home firms on the foreign market in question; overheads would be shared, and his show rooms would become in fact a small permanent British branch exhibition.

There is much to recommend such small "branch exhibitions" over the more ambitious proposal, which has on various occasions been put forward, for the establishment in Cairo of a general permanent exhibition of British manufactured goods, and the establishment of "combined selling agencies" may also from that point of view be found worthy of consideration. It may here be added that in one or two instances local firms have recently succeeded in obtaining the representation along these lines of a number of British firms, and it is to be hoped that the experiments will prove successful.

Advertising.—While from the point of view of advertising British industries as a whole, the idea of a permanent British industrial Exhibition is, *prima facie*, attractive, the suggestion is one that, on closer investigation, is open to criticism on various scores. In the first place there is the question of expense; to be of real value such an exhibition must be kept up to date, thereby entailing constantly recurring expense on the firms exhibiting. In the second place it is not as if the position of the United Kingdom as a great industrial country has to be impressed upon the mind of the population. Great Britain's reputation in this respect is fully realized by every class in Egypt. Furthermore, owing to the very large number of goods, and their great diversity, which it would be necessary to assemble in order to constitute a comprehensive British exhibition, its organization would tend to become unwieldy, and the repartition of expenses among the various exhibitors fraught with very considerable difficulty.

Finally, it should prove easier in the case of small "branch exhibitions" to accord the advertising appeal more suitably to the characteristics of the particular section of the buying public to be

reached, than would be the case in a large exhibition representing all forms of British industrial endeavour.

The peculiar composition of the Egyptian market must also be borne in mind when considering the general question of advertising. It is manifest that, in the case of the fellaheen, the very great majority of whom are illiterate, the written word can have little or no effect, and reliance must be placed mainly on pictorial advertisement. The advisability or otherwise of the distribution of samples must be in each individual case considered on its merits, and on questions of this nature the advice of the local agent, with a thorough knowledge of the mentality of the customers to whom the appeal is to be made, is invaluable.

An illiterate buying public is naturally prone to be conservative, and, having once become accustomed to an article, gives preference to it above others. In this connection attention must be called to the desirability of articles being so clearly marked that it is easy for a would-be "repeat" customer to indicate the exact article he wants. In the case of many textile goods there are no such distinctive markings, and not only is the actual customer unable to indicate to his retailer the exact article he wishes again to buy, but the importer is, in many cases, ignorant of the manufacturer by whom the goods were produced. It appears eminently desirable that some means should be devised by which the manufacturer should establish direct touch with the merchant handling his goods, and that the goods are so marked that the individual customer—and the fellah is very inclined to buy by the trade mark—can be sure that he has obtained the article he desired. Many British firms mark their goods as being of British manufacture, but the question of the desirability of the general adoption of a distinctive "national" mark for all British goods, or their immediate containers, is also one that deserves renewed careful study.

In considering forms of advertising which shall appeal to the urban sections of the Egyptian market, the diversity of the elements constituting it, and the comparatively small number of potential purchasers of western manufactured goods, has also to be taken into consideration. For a number of commodities it is evident that the most useful form of advertisement is the newspaper article, the insertion of which in suitable periodicals is a matter to be arranged—under guidance—by the local agent. For other commodities, particularly those of more general consumption, the newspaper advertisement in periodicals selected according to the public among whom they circulate is advisable. In this, as also in regard to the use of the cinema as a medium for advertisement, divergent views are held, but it seems likely that in the case of articles of general use, such as soaps and other toilet preparations, and in general the more commonly used proprietary articles, this form of advertisement can with advantage be employed. It

is contended that there are two very important factors to remember as regards screen publicity :—

- (a) The public to whom appeal is desired is ready provided.
- (b) The type of patrons frequenting the various cinemas is known, and those cinemas can be chosen which cater for the type of public to which it is desired that the appeal should be made. By this means unnecessary labour and expense are eliminated.
- (c) As the attention of the audience is centred on the screen any publicity matter projected thereon is bound to be seen by the majority of those present.
- (d) It is advisable that the publicity matter shown should be of an entertaining nature, such as :—
 - (i) Where the article permits, showing processes of manufacture, shipment, and conditions of labour, &c. This type of film can be "camouflaged" and shown as part of the supplementary programme as an item of topical interest.
 - (ii) Cartoon films which hold the eye by the comedy element. This type of film can be used for almost any proprietary article provided a little imagination is used and the necessary explanatory matter is projected in the predominating languages of the country. The explanations should be composed by experts who are competent to attract and hold attention by their knowledge of their own national characteristics, as, for example, the right use of "catch phrases," etc.

On the other hand it is argued that, except in the case of a few articles of everyday use, cinema advertising is not likely to produce the results anticipated. Besides being costly, the clientele catered for by the local cinema is of a somewhat restricted type, and consequently the publicity offered is not sufficiently general and often fails to reach those centres of distribution where interest has to be aroused if results are to justify expenditure.

Price.—To revert to the all important question of PRICE, in regard to which it can only be very earnestly hoped that the remarks of the United Kingdom Trade Mission will be read, and their true meaning realized by all concerned in the production and marketing of British goods. A very shrewd and conservative observer, with many years' experience of this market, has stated his conviction that the decrease in the United Kingdom's share of the trade of this country was ascribable, as to 60 per cent., simply and solely to the price factor. By many other people with an intimate knowledge of the various branches of trade in the country, the whole of the decrease is held to be due to price.

Except in so far as may concern costs that may accrue to British goods after they have reached this country, it is not within the province of this report to offer either opinions or suggestions about the steps to be taken to reduce the price of the British goods it is desired to sell in Egypt. Attention can only be called to the fact that similar goods from other countries are being offered on the market at prices that are considerably more attractive.

Prospects.—The immediate outlook for trade with Egypt is far from hopeful, and, unless there is an improvement in the world's cotton market, imports must, it would seem, still further decline,

and price become even more the deciding factor than it is to-day. In face of the difficulties with which they have been faced during the past twelve months, British exporters to Egypt may well feel some pride in that they have retained so much of the market as they have; but very great efforts will be needed if a decrease is not to be noted for the ensuing 12 months. As has been stated, however, in the Economic Survey, the potentialities of the market are considerable, and its capacity for recuperation, once the corner is turned, remarkable. While, therefore, it is desirable that care should be exercised, and that hopes should not be entertained of any considerable immediate profits being made, British exporters, who in very many branches still enjoy the leading position in Egypt, will be well advised to seek to consolidate it, and to extend their knowledge of the market, so that when the tide turns they may benefit from the high reputation which British goods and British trading methods undeniably enjoy.

When the looked-for improvement in the world economic situation does come, British traders to this country should bear in mind the easily excitable character of the Egyptian market, which, coupled with the undoubted capabilities of the country for rapid recuperation, will almost certainly result in a wave of over-optimism and consequent speculation.

TEXTILES.

Cotton Piece Goods.—From Appendices VII, VIII and IX attached to this report, it will be seen that total imports of cotton piece goods in 1930 declined considerably in value compared with 1929, import figures for that year being slightly above those of 1928. It may safely be said that seldom has this country experienced such conditions of acute market depression as characterized trade in general and cotton piece goods in particular during 1930 and the opening months of the current year. Since the cotton slump during the latter part of 1929 there was practically no demand in the market, operations being limited to about only one tenth of those of previous years. Few, if any, sound buyers came forward and bills were renewed day by day even by the larger merchants. As was only to be expected in the circumstances bankruptcies and concordats became everyday occurrences, with consequent weakening of confidence. Banks were compelled to restrict credits owing to the insecurity of commitments.

The main cotton piece goods trade in Egypt is still in the hands of a few well-known importers who purchase direct and hold regular stocks in Egypt.

While Italian, French, Belgian, Czecho-Slovakian and German firms grant extended credits and allow comparatively high discounts, United Kingdom manufacturers, on the other hand, have followed a more cautious policy, though of recent years they have commenced in many cases to extend facilities more approaching the terms offered by leading foreign competitors.

The particularly noticeable developments in this trade have been the continued progression of Italian and especially Japanese manufacturers at the expense, to a great extent, of the United Kingdom. Since the cotton slump, and particularly during the latter half of 1930, practically no demand was noticeable in the market, and Japanese goods alone sold for cash owing to the abnormally low prices asked. To take the main lines of piece goods, the following developments are illuminating :—

Grey Cloth.—Before the war this cloth was imported from the United Kingdom in various weights, on a wide scale, and subsequently, to a certain extent, in the cheaper qualities from India; but now, apart from a certain output amounting to some six million yards of grey cloth (Damoor fabrics)* by local factories, the whole business is in the hands of Japanese manufacturers who supply good quality cabots at some 15 per cent. below British prices. The old grey cloths have also been largely replaced by other cloths dyed in the yarn, known as drills, imported also mainly from Japan, with some quantities from the United Kingdom, the Continent, and United States of America. The competition from Japanese striped drills has been most severe and has even succeeded at the expense of that country's own cabots.

Bleached Goods.—So far, apart from the depressed condition of the market which has affected all suppliers, United Kingdom trade in white nainsooks, tangibs and lawns has not generally been seriously challenged, but it is said that Japanese suppliers of these goods intend to attack this business. Fine white shirtings are being to some extent replaced by new articles altogether, such as poplins, linens, silks, and artificial silks. This class of shirting was adopted principally by the European communities and upper classes of Egyptians, but whereas formerly the United Kingdom supplied practically the whole demand, she now furnishes only a very small share of the substituted articles, which are mostly imported from France, Italy and Japan. Owing to the low prices asked for locally dyed blue cabots of Japanese origin and to the strength of competition in Japanese striped drills, coarse white shirtings in so far as men's wear is concerned, have suffered considerably. In women's wear coarse white cloths have been, to a great extent replaced by printed cloths. Of the coarse white shirtings, which is still an important trade, the United Kingdom's share is beginning to decline as a result of Japanese competition, which has only recently assumed serious proportions. The Japanese qualities are produced from an inferior grade of cotton which gives a thicker feel, and they are offered at very low prices. Japanese bleaching and finishing have now appreciably improved.

Dyed in the Piece.—The United Kingdom still predominates as far as a depressed market will permit in the sale of "Black Sateens," but Italian competition should be watched and, still more, Japanese efforts in this direction. "Black Twills (Argentina)" are now mostly supplied by Italy, though it is hoped that the United Kingdom will make an effort to recover her old market in these lines. Similarly in "Plain Coloured Voiles," until about three years ago the bulk of this business was in the hands of United Kingdom manufacturers but recently the United States of America has succeeded in producing a mock voile which has captured the market, and Switzerland has taken the trade in the high quality voiles. Italian manufacturers have practically captured the market for "Coloured Sateens" by producing a double width cloth at very low prices, and also for low coloured poplins. The better class poplins have for all intents and purposes been replaced by Japanese "toile de soie."

*Further local competition may be expected in the future when the 480 power looms installed by the Société Misr are working, in addition to the 800 power looms possessed by the Filature Nationale d'Egypte.

Dyed in the Yarn.—The most interesting qualities in this line are Oxfords (woven checks) or "Scotch" zephyrs, striped shirtings (Kom el Nour) and striped drills, all of which at one time were mostly supplied by the United Kingdom. Italian competition has to a great extent been successful in the first three lines by offering at prices some 15 per cent. below British quotations. Italy now supplies the greatest part of the import of striped zephyrs (white ground), Oxford checks and plain coloured zephyrs "Kom el Nour"; while striped drills have been entirely replaced by Japanese striped drills, which have also been substituted for many other lines owing to the very low prices asked.

Printed Goods.—United Kingdom prints certainly remain the most popular in this market, but market depression and low priced competition have made themselves felt. Italian and Czecho-Slovakian manufacturers of dress prints have made formidable inroads into the market, and although the recent entry of Japan into this field has only produced, up to the present, a very inferior quality, there is reason for believing that the Japanese article will later be improved. Japanese prices are some 15-20 per cent. below Continental quotations. French competition in fine batistes and voiles has also been severe, French prices being some 13 per cent. below corresponding United Kingdom quotations.

It is claimed that the relatively high prices demanded for printed pongees have been responsible for their losing ground in favour of other articles. Italian firms have secured supremacy in imports of printed warp satins owing to the low prices asked, suitable qualities offered, and satisfactory printing.

Japan now holds the market for printed crepons and French manufacturers have dominated the trade in printed voiles. Mock voile is now mostly supplied by Italy instead of the United States of America. The very low quality flannelettes supplied by Japan are finding a ready sale and it is said that Continental qualities in the very superior classes are preferred to the United Kingdom article, irrespective of the lower prices asked by Continental suppliers.

Plain Artificial Silk and Printed.—Italian competition has been strong, although the quality of the United Kingdom types is popular in the limited better class market. Japanese quotations for "Waste Silk" goods have been far below Italian prices for the artificial silk articles.

It is considered that openings exist for the development of British trade in several lines if a really strong effort is made to overcome existing obstacles, and in this connection it is generally held that, provided prices are competitive, if Lancashire were to adopt more designs and fewer qualities, increased sales would follow.*

The imposition of the new customs import tariffs has, it is contended, adversely affected British goods; for, with the exception of a very few articles, all United Kingdom imports are included in the categories the duties on which have been raised. These increases will undoubtedly have to be borne by the already impoverished fellah, but, owing to the economic crisis and the consequent severe competition, importers have so reduced their margins that they can go no further in that direction. With the new increase, importers will be paying from 25 per cent. to 35 per cent. of the value of the goods in duties as against $8\frac{1}{2}$ per cent. prior to February 17th, 1930. (When on that date the Egyptian

* Information regarding suggested lines for competition by United Kingdom firms may be obtained by application to the Department of Overseas Trade.

Customs Authorities reorganized their System from *ad valorem* to Specific duties, they based their calculations on the high levels then existing. Since then, there has been a great depreciation in values.) It should be observed that this 25 per cent. to 35 per cent. duty has to be paid cash down by the importer before he can release his goods from the customs, whereas he is paid by his client 6 to 12 months after purchase of the goods.

The following rough analysis of the new duties may be of interest :—

There are only 9 articles of greys, 5 of bleached, 3 of dyed, and 2 of printed qualities, under 90 grams per square metre, on which the incidence of duty has not been altered, but the consumption of these lines is negligible.

Greys.—There are numerous qualities of from 90-110 grams per square metre which now pay 20 per cent. and 19 per cent. more.

Bleached Goods.—The important trade in the 90-110 grams articles now pays $8\frac{1}{2}$ per cent. more.

Dyed in the piece and in the yarn of from 90-110 grams per square metre now pay $18\frac{1}{2}$ per cent. more per yard (two articles of good consumption).

Printed.—Three lines of from 90-110 grams per square metre of wide consumption now pay approximately 10 per cent. more.

Greys, from 110 to 140 grams per square metre. One article which now pays 20 per cent. more.

Bleached, from 110 to 140 grams per square metre. Ten articles which now pay from 15 per cent. to 20 per cent. more.

Dyed in the piece and yarn, 110 to 140 grams per square metre. Five to six articles which now pay from 14 per cent. to 16 per cent. more.

Printed.—110-140 grams per square metre. Three articles of enormous consumption which now pay an average of $12\frac{1}{2}$ per cent. more.

Greys, 140 grams per square metre and over. Two articles, one of which is the Japanese cabot which has the largest consumption of any article. Duties raised from 5.25 piastres to 7 piastres per piece, and Japanese cabot 10.10 piastres to 12.30 piastres per piece.

Bleached, 140 grams per square metre and over, now pays on an average 21 per cent. more.

Dyed in the piece and in the yarn, 140 grams per square metre and over. Under this category come most of the United Kingdom dyed articles, including satins. These articles now pay duties which on an *ad valorem* basis work out at about 21 per cent. above the duties previously imposed.

Printed, 140 grams per square metre. Several articles with very large consumption now pay an average of 15 per cent. more.

Cotton Waste.—In past years British firms satisfactorily competed with foreign firms for the supply of cotton waste, which is in great demand by the local, as also by the Government, workshops. To-day cotton waste can easily be obtained at from £E.5 to £E.10 per metric ton cheaper from the Continent.

Continental firms have specialised in the preparation and wholesale export of cotton waste. They have various qualities at very competitive prices—qualities which can hardly be distinguished, except by an expert, and can, therefore, easily compete with British firms. These foreign firms are most liberal and quick in sending out samples and special quotations for im-

portant quantities, and usually accord 60 to 90 days' credit from date of receipt of goods.

The strength of their competition is naturally also accentuated by the shorter distance of shipment to Egypt, and, in addition, they benefit also by the recently started regular sailings to Egyptian ports at reduced freights.

It would seem desirable that this trade should be carefully reconsidered by interested British firms, and they should try to regain their leading position.

Imports of cotton waste in 1929 and 1930 amounted in value to :

				1930	1929
United Kingdom	...	...	...	£E.2,929	£E.185
Italy	...	...	...	11,306	485
Other Countries	...	...	...	2,218	5,047
Total :				16,452	5,697

Woollen and Worsted Cloths.—Great Britain set the standard in Egypt for woollen and worsted cloths many years ago and it is only since the War that she began to lose her hold on this market to foreign competitors. Nevertheless, from the statistics quoted in the Monthly Summary of Foreign Trade, published by the Egyptian Ministry of Finance, it will be seen that she still holds first place in woollen cloths imported into this country, with France second, followed by Italy, Germany and Belgium. The total imports of woollen and worsted cloths amounted in 1930 to a value of £E.717,507 compared with £E.863,483 in 1929, of which the United Kingdom's share amounted respectively to £E.327,861 and £E.408,436.

The new tariff rates have, it is maintained, adversely affected United Kingdom imports of cloths, as it is argued that, given any two cloths of similar texture, weight, finish, etc., one of which is of British make and the other of Continental manufacture, with the price of the former 30 per cent. to 40 per cent. higher than that of the latter, the increase in duty at the same rate for both renders the dearer cloth additionally unattractive to the dealer, since both qualities are retailed in Egypt at almost the same price. So far as the woollen trade is concerned the new tariff has given some impetus to Continental trade, owing to the diminished purchasing power of the upper classes of the public.

Some of the general reasons why British trade has fallen off are :—

(a) The higher price, due to the superior quality and finish of British goods. In normal times this did not prejudice sales to so appreciable an extent. The cheaper foreign article is now accepted even by the wealthier class of Egyptians. On the other hand, Greek and Syrian communities, who appreciate the wearing advantages of Bradford and Huddersfield cloths, continue to purchase their requirements, though on a reduced scale, from British manufacturers.

(b) Continental manufacturers are more elastic in meeting the requirements of the market, whereas many United Kingdom manufacturers insist upon retaining their old designs, colours, etc. Though British fashions in men's suitings lead the world, Italian manufacturers are quick to imitate a new British design and to place it on the local market, often before the original designs have made any headway. Sometimes British designs which have been popular in London have not been successful on the Continent, with the result that they have been equally unsuccessful in Egypt, for, in this respect, the Egyptian fashions are inclined to follow the lead set in Paris, though preferring, when possible, British materials. Also, owing to the quick change in fashions, the majority of dealers in fancy suitings cannot afford to buy full pieces of 60-65 yards to a shade, and prefer to go to Continental firms who are prepared to supply 30-35 metres to any one shade.

(c) Many countries which did not manufacture woollen and worsted cloths before the War have gradually developed this industry, and consequently compete in this and other markets. Furthermore, Continental competitors (and this applies to a varied number of products) send their commercial travellers in much greater numbers and much more frequently to Egypt than United Kingdom firms are prepared to do.

(d) The failure in certain instances—due to a great extent to the lack of personal touch—to discriminate between the good and bad importers, both by manufacturers and banks.

(e) The higher freights between the United Kingdom and Egypt as compared to the Continent and Egypt, to which must be added the expensive packing provided by the United Kingdom manufacturers and shippers, which, in many cases, is unnecessary, resulting in a higher price on the article and proportionately higher Customs duty.

The question of credit does not enter so largely into the decline in the United Kingdom trade in woollen and worsted cloths, for, in the majority of cases, United Kingdom manufacturers, though less extravagant in their terms than their foreign competitors, are, nevertheless, alive to the need of granting facilities to their local agents.

While the above remarks include, it is believed, the wider factors responsible for the decline in British trade with Egypt in the goods concerned, it may safely be assumed that the greatest obstacle to the United Kingdom's trade with Egypt at the present time is that of price, taken in conjunction with the depressed conditions of the market. A well known Arabic proverb says that "any soap is soap" and where trade is concerned, this proverb applies to all goods including cloth; consequently a number of local customers have deserted Yorkshire for Italy.

In pre-war days the United Kingdom's most serious competitor was the Austro-Hungarian Empire, including particularly the producing territories now included in Czecho-Slovakia and Poland.

The pendulum has now, however, swung round in favour of France with a total import into Egypt of woollen textiles of all descriptions valued at about £E.242,000, Italy with £E.88,000, Germany with £E.61,000, Belgium with £E.29,000 and Czecho-Slovakia with £E.18,000.

There is little appreciable difference in the matter of credit facilities offered by the various countries, except that Continental manufacturers vie with one another in over-stocking dealers. It is said that foreign manufacturers, suffering themselves from over stocking due to mass production and a stagnant market, have been known to re-stock bankrupt concerns with full knowledge of the debtors' situation. It is also stated that the consignment system adopted by those countries in certain directions has also caused great harm to the general trade.

Linen Piece Goods.—Total imports of linen piece goods into Egypt during 1930 amounted to a value of £E.78,472, compared with £E.143,779 in 1929. Although the United Kingdom's imports declined from £E.47,911 in 1929 to £E.32,828 in 1930, her share of the total trade, nevertheless, increased chiefly at the expense of Belgium, whose imports in 1930 were £E.32,076, compared with £E.71,731 during the previous year. France's share of the trade also declined from £E.18,513 in 1929 to £E.10,748 in 1930.

While a number of United Kingdom manufacturers have lost trade owing to their failure to fall into line with the easier credit facilities allowed by Continental competitors,* other old established suppliers have consented to grant terms more approaching those adopted by their foreign competitors, with the result that, in spite of the restriction of money in the market, British trade as a whole has maintained its position.

As before stated, Belgium and France are the leading competitors in pure linen goods, while in manufactured linen goods, France, Italy and, to a lesser extent, Switzerland and Germany, are the more serious rivals to the United Kingdom. It should be said that Continental imitation linen goods have caused considerable damage to the pure linen trade in Egypt.

MACHINERY.

Agricultural and Other Machinery.—For several reasons, amongst which may be cited the large proportion of small holdings, the conservatism and aversion to spending of the Egyptian cultivator, the cheapness of agricultural labour, and the certainty of the weather during most of the year, agricultural machinery in the sense generally understood, as machinery and implements for

* Information regarding methods of quoting and terms of payment may be obtained by application to the Department of Overseas Trade.

tillage and garnering of crops, does not find so general a market in Egypt as the pronounced agricultural character of the country would lead one to expect.

However, since land cannot be brought and kept under cultivation without irrigation, apparatus for raising water is a primary necessity. Old-time methods are still to be seen, but to an ever increasing extent irrigation is effected by power-driven plants.

For very many years the business of the machinery merchants was almost entirely confined to the supply and maintenance of pumping plants, i.e. centrifugal pumps with various types of engines. Up to the year 1914 the mechanical power usually employed was the portable steam engine, although for some years previously a number of fixed oil engines and producer gas engines had been sold for this purpose. Since 1914 the demand for steam engines for irrigation has diminished until it is now almost extinct and the most modern types of crude oil engines are in demand, and of these Great Britain supplies about half of the total value imported.

On Government and large private estates a certain number of steam cultivating sets (double engine system) used to be employed, but ploughing throughout the country was almost entirely done with ox-drawn ploughs of native manufacture. During the last ten years many of the steam cultivating sets have been discarded and replaced by tractors, which are also finding a market in the medium and small agricultural holdings. Probably about 1,000 tractors are sold in a year of average prosperity and two of the best known foreign makes obtain about 90 per cent. of the business. With the tractors (17-25 h.p.) are sold ploughs and cultivators which are also usually of the same manufacture.

There is a small sale of mowing machines for cutting berseem, but reapers and binders find no sale in Egypt, nor are any other kinds of machinery used for the cutting or picking of crops.

A few thrashing machines, mostly of British manufacture, are sold, but almost all of the grain crops, harvested by hand, are thrashed out by "norags" drawn by oxen. These "norags" are made locally and steel discs for this purpose are imported from Sheffield.

By reference to Appendix XXI of this report it will be seen that the total imports of internal combustion engines in 1929 and 1930 amounted to values of £E.462,000 and £E.384,000 respectively as against £E.146,000 in 1913. Of these totals, the United Kingdom furnished 54.2 per cent. and 47.1 per cent. in 1929 and 1930 as against 41.8 per cent. in 1913. German and Swiss shares of this trade were respectively 26.3 per cent. and 19.3 per cent. in 1929; 19 per cent. and 15.8 per cent. in 1930 compared with 20.5 per cent. and 19.9 per cent. in 1913.

The sale of internal combustion engines occupies a high place in the commercial activities of Egypt. The agricultural industry, being built up entirely upon artificial irrigation, is

dependent for its success upon the amount of water each cultivator is able to provide for his fields. These are irrigated either by gravitation, where the level of the canals is above that of the fields, or by pumping, where the land is higher than the water. Of the 5,500,000 acres (approximately) now under cultivation, more than half can only receive their water supply through some form of artificial aid; and the internal combustion engine is the most popular instrument for the purpose.

In the towns also, the growing needs of local industry provide an ever-increasing demand for the internal combustion engine. It is favoured as a source of power by factories and workshops of all kinds; by wood-workers, engineering shops, and by mills. Engines of the larger type are being installed in pumping stations and power houses by more and more municipal authorities, anxious to increase the amenities of their towns. There are also more than 150 cotton factories using antiquated steam engines which are slowly being replaced by modern internal combustion plant.

Buyers may be broadly classified as follow :—

(a) *The Owner Farmer*.—The Royal Agricultural Society gives the following figures for Upper and Lower Egypt :—

Owners of from 5 to 50 acres, 132,927 persons, holding a total acreage of 1,650,197.

Owners of more than 50 acres, 12,508 persons, holding a total acreage of 2,362,654.

Farmers in the first category are buyers of engines between 6 and 15 h.p. while those in the second category normally purchase only 20 h.p. and above. Owing to the high value of cultivated land in Egypt, it will be appreciated that the owner-farmer is a useful sales prospect.

(b) *The Dairas*.—These are the landed proprietors of Egypt—Princes Pashas and Beys. Their wealth is very great and in the development of their estates they require engines of considerable h.p., often 100 and over.

(c) *Mill Proprietors*.—There are more than 6,000 of these in the country. The installation of a small mill with one millstone requires about £E.500-£E.600 capital. The majority are of this kind. Two-stone mills necessitate about £E.900 capital.

(d) *Cotton Factories*.—These are spread throughout every Province in Egypt and require engines of considerable h.p. They are owned either by strong limited companies or by wealthy private individuals. As mentioned above, there are still some 150 running on steam, and the possibilities there for sales are good, particularly when cotton prices improve.

(e) *Electricity and Water Undertakings*.—These offer an attractive field both on account of their growing numbers and the size of their orders. The usual type of engine is from 150 to 300 h.p. while the actual outlay on each station is, roughly, from £E.20,000 to £E.30,000.

(f) *The Egyptian Government*.—The State is a large buyer of internal combustion engines and its requirements are increasing every year.

From the above analysis of the principal buyers it should be realized that, on the whole, the market is composed of individuals and companies to whom the long credits required by custom may be given with comparative safety.

Of course, merchants or branch offices have to employ an adequate technical staff for erecting and repairing machinery, and discrimination should be used in the selection of clients.

The Method of Effecting Credit Sales.—Outright purchases for cash are virtually unknown. It is necessary, therefore, to exercise the greatest care in the selection of credit risks. The following points indicate the general procedure together with the security provisions :—

(a) Upon signing the sale contract the customer pays one-third of the total price. (This payment is frequently split into, say, 10 per cent. with order, 10 per cent. on arrival of the engine in Egypt, and 10 per cent. when it reaches the site.)

(b) The balance is cleared over eighteen to twenty-four months by promissory note maturing either (1) monthly or (2) quarterly or (3) six monthly.

(c) The engine and its accessories remain the *exclusive property* of the seller until full payment has been made. In addition, the workshop, artesian well, mill or piece of land whereon the engine is erected are pledged to the seller in guarantee of payment. In this way he is covered against depreciation and loss.

(d) The customer may also be required to provide either :—

(1) A mortgage upon his crops or house, or

(2) The joint and several guarantee of two solvent and acceptable persons, or

(3) Any other security provisions the seller may require.

(e) The contract to purchase is so worded that, in the event of default by the buyer in payment of a single note, the seller may claim immediate settlement of the whole outstanding balance. To enforce his right he applies to the Courts for recognition of his judicial ownership and, so soon as this is received, he may then proceed to realize on the securities he holds—mortgage, guarantees, etc. It should be noted, however, that recourse to these measures is rare. The custom of the country is to pay late—but to *pay*.

The “ Sakieh ” of Pharaoh’s day, worked by animal traction, is being gradually ousted by the internal combustion engine—either of considerable H.P. to irrigate the large tracts of the wealthy, or of quite small H.P. for the lesser lands of the owner-cultivator. Engines of this latter type are comparatively new to the country, but they are peculiarly suited to the needs of the many thousands of small-holders. Particular attention, however, should be drawn to the fact that the pump is really of at least equal importance as the engine; though an inferior type of pump, locally produced, is still widely used.

In order that the market for these small engines and pumps may be more fully understood the following comparative figures are illuminating :—

An ordinary Sakieh of wood, under animal traction, in a ten-hour day, will irrigate :—

At a height of 1 to 2 metres	...	...	...	...	$\frac{1}{2}$ acre
At a height of 2 to 4 metres	...	...	...	...	$\frac{1}{3}$ acre
At a height of 4 to 6 metres	...	...	...	...	$\frac{1}{4}$ acre

An internal combustion engine of 5/6 H.P., with pump attached to a 4in. artesian well, in the same 10 hour day will serve 3 acres at a height up to 10 metres.

The proportionate up-keep costs are very much lower with an engine, while the advantage for the small farmer owning from 5 to 50 acres are obvious. Realization of this has been growing rapidly during the past few years, with the result that each twelve months shows an appreciable growth in demand.

Selling Organisation in Egypt.—One of the countries that competes most successfully on this market is said to adopt the following plan. Broadly speaking, a careful analysis of market possibilities is made and selling prices fixed. There is next worked out the approximate turnover to cover the scale of overhead charges laid down for the ensuing twelve months. If this figure appears beyond probability—having regard to all the circumstances—it is reduced to actual expectations and the overheads forced down to correspond.

The sum of the overheads is now divided by the H.P. quota and the selling cost per H.P. thus established.

Other organisations follow methods very much less scientific. Several agencies appear to be subsidised by the home manufacturer, but such monies as are received appear to be more in the nature of *ex gratia* payments than calculated remittances for definite services.

The German houses and the best British agencies carry substantial stocks. The Germans supply freely on consignment, but British representatives often have difficulty in getting the bare essentials for showroom display unless they pay for them themselves. This appears to be due partly to lack of funds at home and partly to lack of knowledge on the part of the manufacturer about the methods of protecting his stock in the event of the agent's liquidation.

The principal complaint against the British manufacturer is his *lack of personal interest* in the market. "If only they would come out and see for themselves" is a sentence that is frequently heard from local agents.

The natural sales-centre of the country is Cairo. The two other strategic points are Alexandria and Assiout. Most of the important dealers are represented in these three places. Some firms also have representatives at Minia and Sohag as well.

General Sales Possibilities.—Apart from the indications already given, the following notes may be found of value :—

INDUSTRIAL.—In the towns of Cairo and Alexandria are many hundreds of old engines working in factories, mills, engineering shops, etc. The demand for their replacement is steady and capable of development. It should be remembered that the

native does not give his engine the same care and attention as a European, and its life is consequently shorter.

In addition, there are still many establishments of all kinds running on steam. Each year a growing number of the managements concerned are being won over to the internal combustion engine.

The industrial expansion of Egypt is proceeding apace and new businesses may prove fruitful sources of orders.

AGRICULTURAL.—Besides the normal increase in annual demand from owners of land already under cultivation, the year 1930 should have witnessed the beginning of trade with the new owners of more than 1,000,000 acres of fresh soil. The completion of the Nag Hamadi dam will create 500,000 acres, while another 800,000 acres are being reclaimed from the Delta.

The Egyptian Government allowed in its Budget for 1930 a substantial sum for work in connection with the agricultural development of the country.

It is not possible at present to make any reliable estimate of the engines required for the irrigation of the large tracts of land that are to come under cultivation as the great irrigation schemes are carried out. It can only be said, with certainty, that the requirements will be heavy and should continue for some years.

Electrical Machinery.—United Kingdom imports of electrical machinery showed a healthy increase during 1930 compared with the previous year, due largely to important orders placed by the Egyptian Government.

It was eminently satisfactory to see that at least in this business United Kingdom manufacturers have been able to compete successfully with the abnormally low quotations offered by Continental firms. For example, out of a total expenditure in respect of electrical equipment by the Municipalities and Local Commissions Department in 1930 amounting to some £E.132,220, a British firm secured orders to the value of £E.100,300.

Similarly, as stated under the heading "Egyptian State Railways' New Works in 1930," the order for the supply and erection of a power house at Gabbary was placed with a British firm at the tender price of £E.69,800.

It should be observed that the material supplied under the majority of the orders referred to above is not included in the import figures for 1930 shown in Appendix XIX as only the Gabbary power station equipment and the material ordered for the Maghagha power station (£E.21,000) and Minieh station extension (£E.6,500) were imported during that year.

With regard, however, to the general market for electrical appliances, fittings, wiring, etc., United Kingdom firms have made little, if any, progress owing mostly to the extraordinarily low prices quoted by Continental competitors and, to a certain extent, to the heavy stocks carried by the latter. Both as regards medico-

electrical apparatus and ordinary electric appliances, only a very few representatives of United Kingdom firms carry any form of stocks and still fewer possess adequate service organisation, with the result that in all these lines, including refrigerators* Continental firms hold a decided advantage.

It must be borne in mind that the important Belgian and French concessionary companies operating the tramways and light services of Cairo and Alexandria naturally place most of the orders for their respective countries.

The only exception to this rule has been certain orders placed in the United Kingdom in 1929 for electrical equipment by the Alexandria and Ramleh Railway Company Limited, in which, though nominally a British concern, the majority of shares are said to be in other hands.

Motor Vehicles and Accessories.—By reference to Appendix XX it will be seen that in proportion to the general decrease in imports of these goods, the United Kingdom's share of the trade was not very unsatisfactory, having regard to the general depressed condition of the market. The supply of some 100 odd motor 'buses to the Egyptian General Omnibus Co., S.A. by a United Kingdom firm, all of which were imported early in 1931, should affect the import statistics for the present year very considerably. On the other hand, it seems unfortunate that British manufacturers have not apparently found it possible either to obtain orders for vehicles in other parts of the country than the capital, or to develop those potential markets by taking an interest in operating concerns.

Apart from inter-village traffic, quite good opportunities existed for the installation of bus services within the Alexandria area, but they were all allowed to pass, with the result that foreign competitors now have the operation of these routes and the supply of stock almost completely in their hands.

As stated under the heading of "New Works" of the Egyptian Government, United Kingdom manufacturers obtained limited orders from purchasing departments for light chassis, but, on the whole, American and Belgian interests were more successful.

With regard to the general market, American suppliers are still in the strongest position, though it is hoped that United Kingdom penetration may be successful to a certain extent, at least in the light car business. A few expensive and medium priced British models enjoy a certain sale, but competition with the medium priced American cars is very difficult owing not only to the high power of the cars offered, but also to the more elastic facilities granted by American manufacturers.†

In general it may be said that, although foreign cars are in no way better or more suitable to this country's requirements than the

* Information regarding this trade may be obtained by application to the Department of Overseas Trade.

† Information in regard to Methods of Quoting, Terms of payment, etc., may be obtained by application to the Department of Overseas Trade.

United Kingdom product; the competing car has the following advantages :—

- (a) It finds agents more easily owing to the greater facilities offered.
- (b) Commission to agents is usually on a higher scale.
- (c) Certain foreign suppliers ship their vehicles in vessels having specially built garages, thus avoiding packing costs and extra customs duties thereon. Others again have their own assembling works in Egypt.
- (d) Agents are assisted in the matter of stocks of spares, whereas representatives of United Kingdom manufacturers who hold stocks have to pay rather highly for them. It is hard to say whether it is due to this disadvantage or negligence in the past, either of the manufacturer or the agent, that so many complaints are heard regarding failure to obtain British spare parts in less than several weeks.

Another criticism levelled against some United Kingdom manufacturers who are represented in Egypt is that they supply merchants direct, with the result that the agent is not encouraged to stock a full range of his principal's products. It is probable, however, that instances of this nature are rare.

While it is not, of course, assumed that the majority of United Kingdom manufacturers who take this market seriously are not fully aware of its peculiarities, it is nevertheless true that, generally speaking, agents of United Kingdom firms have had an uphill fight against the much more attractive terms offered by foreign competitors. These terms, it should be said, apart from extended credits, frequently include consignment stocks, technical assistance gratis, and heavy advertising expenses. Moreover, it is generally accepted that both American and Continental firms are only too ready to attract British agents.

Here again arises the necessity for the personal touch, and although some principals and representatives of United Kingdom manufacturers have occasionally visited this market, the results of their tours do not yet appear to have had much effect.

Motor vehicles in circulation in Egypt up to the 31st December, 1930, which do not include vehicles owned by the Egyptian Government, totalled 30,079, there being 18,045 private cars, 7,015 taxis, 3,887 lorries, 1,132 buses.

With regard to motor accessories the quotations offered by many United Kingdom manufacturers, from their net export price list subject to a small discount against documents in London, do not compare favourably with the terms offered by American and Continental suppliers who usually grant credit of from 4 to 6 months with discounts varying from 5 per cent. to 10 per cent.

The limited trade in motor cycles remains for the most part in the hands of United Kingdom manufacturers, owing largely to the quality of the machines produced at comparatively reasonable prices and to the energy of the agents. Credits of from 30 to 60 days are demanded for these goods, as the usual method of selling is by payment of one-third down and the balance over twelve months, on which interest amounting to 9 per cent. is charged. With an improvement in the provincial roads some increase in this trade may be expected.

The largest part of the pedal cycle trade consists of component parts imported with frames for assembling in Egypt, but the extraordinary variation in quotations by different United Kingdom manufacturers for similar articles has undoubtedly affected their sales. The rather stringent terms demanded by several United Kingdom manufacturers of payment in London and charges for packing necessarily give a great advantage to French, German, Belgian and Italian competitors, who usually give a net quotation of a special nature and do not charge for packing.

While it is true that price considerations have been very largely responsible for the decline in United Kingdom imports of cycles, it is generally held that weakness in sales methods and general disregard of the peculiarities of the market have also played a large part in bringing about this setback.

Tyres.—It will be seen from Appendix XVIII that United Kingdom manufacturers increased their trade with Egypt in the supply of tyres. On the other hand, American imports declined to a certain extent, while French supplies increased only to a small degree. This comparatively important increase in United Kingdom trade is probably due, to some extent, to improved methods of distribution.

ENGINEERING AND BUILDING TRADES.

Engineering Trade.—The engineering trade in Egypt can be divided into two categories :—

- (a) The larger contracts with the Government, the larger requirements of the public services, and private companies.
- (b) The smaller individual units and requirements of private individuals.

There are companies and merchants in Egypt who deal with both of the above types of business, and companies and merchants who deal with only one or the other. Both types of business require capital successfully to meet the conditions of this market. In the large contracts, capital is required to carry them out and in the second or lighter category, capital is required to perhaps even greater extent, as extensive credit terms have to be given to customers. Therefore, manufacturers of engineering goods must first of all be satisfied that the merchant with whom they are dealing is sufficiently strong financially to meet the requirements of the country, or must be prepared to assist their local representative in financing the trade.

Another question of great importance with regard to the engineering trade in Egypt is that of technical skill and knowledge. During the past 25 years many Egyptians have been educated in Engineering Colleges and large Engineering Works and Technical Institutions in the United Kingdom and on the Continent, and have thus obtained a considerable amount of engineering knowledge and skill. Although in the majority of cases the Egyptians

have not been able to apply this knowledge practically, they are now sufficiently well versed to enable them to argue on the efficiency of particular makes and designs of engineering products, and unless the representative in Egypt has a staff capable of meeting any Egyptian criticism that may be forthcoming, he is at a distinct disadvantage. British manufacturers should therefore assure themselves that the individual or company with whom they place their representation has a staff competent to discuss technical questions with customers.

Representatives of foreign manufacturers are particularly well organised in this respect, and the foreign manufacturer sees to it that his representative, if not a technical man himself, is at least supported by somebody who is a specialist in the particular branch.

Building Trade.—The building trade generally has been slacker during the past year owing to the fall in cotton and general economic depression, but this slackness has not been so serious as it might have been, owing to the fact that the cost of building materials generally has dropped, and this has tended to help the building trade.

The serious cutting down of Government credits for Public Works has, however, affected contractors all over the country and the Syndicat des Entrepreneurs have recently petitioned the Ministry in this connection, as yet without result. Asphalt and roadmaking generally are below normal and a slack 1931 is anticipated owing to the lack of Government funds. Very little asphalt is now imported owing to the large output of the Anglo-Egyptian Oil Refinery at Suez which approaches 80,000 tons per annum, of which not more than 10,000 to 12,000 tons can yet be absorbed in Egypt.

Cement, etc.—The development of the new local cement works has had the effect of much reducing the imports of Italian and Dalmatian and Belgian cement, but British cement (which never really competed with the cheaper brands) has not yet suffered by the local competition to the extent which may later be anticipated, owing very largely to the necessity for the use of the very best brands for the new barrage works now completed or in course of construction. Nevertheless, the preference given by all Egyptian Government purchasing Departments, except in the cases of important barrages or bridge foundations, to the local product has made itself felt by the import trade generally. The increased customs duties have also given a stimulus to the local industry.

It should be appreciated that the introduction of British cement into this market for everyday requirements has throughout been an uphill task. Imports of cement in 1929 and 1930 amounted to 269,623,585 kilograms and 189,303,848 kilograms valued respectively at £E.549,567 and £E.394,717 of which the United Kingdom furnished 66,791,608 kilograms valued at £E.156,741 and 72,011,525 kilograms worth £E.155,994.

Yugo-Slavia supplied in 1929 and 1930 85,487,427 kilograms valued at £E.157,039 and 63,432,097 kilograms worth £E.123,145 respectively.

Cement is rather a risky business in Egypt, as it is sold mostly on credit terms (with extensions running between two and six months); delayed payments on the part of contractors, or the failure of some of them, may seriously prejudice the importer, especially considering the lean margin of profit. Instances have, in fact, occurred when agents delayed payments to Continental works which had accorded facilities. Continental imports have recently declined appreciably owing to the overwhelming competition by local cement works, whose abnormal price reductions, due to the keen competition between the Maassarah and Tourah Companies on the one hand and the Helouan concern on the other, have rendered it unprofitable for European cements to be imported into Egypt. This increased inter-local competition has led producers to accord extraordinary facilities in the way of payments, with the result that they have overtaken the market. It is understood, however, that quite recently the main local works have reached some form of agreement. The yearly consumption of cement in Egypt can be estimated at about 350,000 tons, while the output capacity of the local works aggregates some 400,000 tons, of which about three-fourths is actually produced.

The difference in price between United Kingdom cement in Egypt and the local product is, on the average, almost £E.1 per ton. While monthly sales of the former during 1929, exclusive of Public Works orders, were almost 4,000 tons, this import was reduced to about 2,000 tons early in 1930 and still further as the year progressed.

The import duty on cement which was fixed at 30 piastres per ton, or including quay dues 33 piastres per ton, has seriously affected import trade, which has been still further handicapped by the preferential rail rates allowed to the local product, and the fact that local works pay no industrial taxes and are able to import their plant at very low rates of duty.

The recently imposed excise duty, amounting to 30 piastres per ton on all cement, whether imported or locally produced, may add to Government revenue but is not likely to affect the trend of trade in the cement business very greatly, except to raise the cost of that commodity.

British quotations for cement asbestos products are some 60 per cent. above Belgian prices, but United Kingdom prices for sanitary earthenware, on the other hand, have, in some cases, been reduced to competitive levels, which, having regard to the high quality of the goods, is most gratifying. Previously United Kingdom prices had been above Continental quotations for earthenware, sanitary pipes and fittings to the extent of:—Belgian 40 per cent., French 30 per cent. and German 25 per cent. The locally made pipes and tiles are usually preferred in most

Egyptian Government adjudications. Generally, it must be said that the United Kingdom has lost about 75 per cent. of her former trade in "Scotch" sanitary pipes (12 yards x 3/16in.) and manufacturers of these goods will have a hard uphill fight to regain their position.

Structural Steel.—The import of structural steel can be brought under three sections :—

1. The import of fabricated steelwork in the form of steel framed buildings, bridges, tanks, etc., worked up ready for re-erection.
2. The import of steel rolled sections and plates in random lengths and sizes for the use of local works engaged in fabricating steel.
3. The import of mild steel round bars for reinforced concrete, and of rolled steel joists for buildings.

Trade under Section 1 is naturally handled by firms of standing in this country whose dealings are with Government Departments or with the principals of other large firms. It seems that British trade of this class is holding its own, if not increasing.

Trade under Sections 2 and 3 is handled by builders' merchants for delivery from stock by direct order from buyers to suppliers abroad, or through a local agent. This trade has never been in British hands and no attempt is being made at the moment to obtain it.

The large British steelworks are actually represented under Section 1 by their local agents who also handle any business which may come their way under Sections 2 and 3. However, the nature of their agency and the people with whom they deal naturally prevents them from coming normally into touch with the "general builder" buyers who make up the majority of purchasers under Sections 2 and 3. Therefore, their chance of doing business of this type is practically nil, except in the case of some large specification which it is worth their while to go after and obtain prices for from home.

At present all the trade under Sections 2 and 3 is in the hands of three or four foreign builders' merchants who work generally to the following organization :—

- (a) Managing Director—part time only, suitably the manager for firms representing Section 1.
- (b) Depots in Cairo and Alexandria on bank of canal or Nile and near a railway siding, area about 3000 to 4000 square yards enclosed but not necessarily covered over, to serve as stock yard.
- (c) Small office in this yard, which is the office they maintain for business in the respective towns.
- (d) Manager in charge of yard with some knowledge of steel work, and employment of steel in buildings, type of man of £E.30 to £E.35 per month salary. Has knowledge of English, French, Arabic and probably some other languages.
- (e) Two or three stock-yard clerks to measure up and weigh materials which pass in and out of yard.

One accountant. The above all drawing salaries of about £E.15 to £E.25 per month, and speaking at least three languages.

- (f) A few labourers for handling material in stock-yard at about 10 piastres per day.

The cartage is all done on piece-work rates, and plenty of local carters wait round yards of this type in the hope of getting a load.

Such yards probably handle an average of 20 to 30 tons of steel per day, apart from large orders which they can obtain for special jobs. They carry stocks of all normal sizes of mild steel bars, but only in lengths of 5 and 6 metres; also stocks of rolled steel joists, angles, channels, plates, etc., generally in demand on the local market. With a telephone order at 8 a.m. such a yard can have material on the job in the afternoon, and for this reason they very often get a better price than they would when having to give a quotation.

British firms could no doubt acquire some of this trade if they organized a stock-yard on similar lines. It would be essential to stock Continental material as well as British, unless the present British prices could be considerably reduced; but with a manager who had a knowledge of the steel trade as applied to reinforced concrete and structural steelwork, considerable business could be obtained for British materials, which, in many cases offer the advantage of more economical sections, which also could be stocked in long lengths instead of the Continental practice of keeping a standard length of from 5 to 6 metres bar. Such a man should call on the local builders and keep in touch with their work, and point out where he could offer advantages with British stocks, even though at a higher price.

Other Building Materials.—Credit terms are becoming rather too extended, and in allowing them agents should see that the margins fixed for particular accounts are not exceeded in the interval before the bills are met.

Owing to severe competition in the building trade, many builders have accepted contracts at very unremunerative figures. Suppliers of materials have undercut each other, and have tried to do business on any terms, even allowing ridiculous facilities for payment.

While, as stated earlier in this report, many of the major public works have been executed by British firms, there are, nevertheless, many contracts ranging in value from £E.10,000 upwards, almost all of which are secured by foreign firms either direct or through local contractors, many of whom are Belgian, Italian or Austrian, etc.

The main reason for this loss of trade to the Continent is due to the fact that the few British contractors established in Egypt have practically enough work in hand and consequently there would seem to be room for further development of this business, provided that contracting firms can find the necessary finance to tide over the first year or so. In many instances, where engineers in charge

of private works specify an English brand of cement, or British standard steel, ironwork, etc., local or foreign contractors try to avoid this condition on the plea that they can get much cheaper qualities elsewhere.

Although, prior to 1922, United Kingdom manufacturers of light castings* were supreme in the Egyptian market, the steady decline in British trade in these goods became more and more apparent as the years passed by, with the result that to-day, whether in batch tubes, pipes, galvanized, corrugated, or plain sheets, iron tube fittings, lead sheets, or brass fixtures, the Continent has now usurped the major part of this business. Continental galvanized sheets supplied to this market have a very rich, bright appearance and easily attract attention. In the case of brass fittings there is a growing local output.

It is claimed in local business circles that dislike of the methods adopted by United Kingdom producers in distribution of their goods alienated the more prominent local merchants, who sent patterns of United Kingdom castings to France, Belgium or Germany, where qualities good enough for the purpose required were produced at much cheaper prices accompanied by elastic credit terms, compared with the rigid cash against documents conditions demanded by United Kingdom manufacturers.

However this may be, there is no doubt that if this market is to be regained United Kingdom manufacturers must reduce their prices to competitive levels within at least a small margin for superior quality; otherwise the buyer will be obliged to buy cheaper articles in order to retain his clientele. Manufacturers should also conform to the taste of customers as special patterns required will always be produced on the Continent to order. The necessity for periodical visits of manufacturers' representatives applies very particularly to the light castings trade, and sufficient time should be allowed on such occasions for a thorough acquaintance to be made, not only with the more important buyers, but also with the smaller clientele.

COAL.

Imports of coal in 1930 amounted to £E.1,446,769, compared with £E.1,693,497 in 1929. This decline in value was almost entirely due to the fall in prices, the quantity imported being 6,947 tons above the figure for 1929.

Imports from Russia in 1930 (apart from coal for bunkers) totalled £E.61,193 against £E.42,917 in 1929.

The following are statistics of the imports of coal for bunkers during 1929 and 1930 :—

* Information in regard to comparative quotations for light castings, galvanized sheets and cast-iron pipes, may be obtained by application to the Department of Overseas Trade.

					1929	1930
					<i>Métrie tons</i>	
Total imports	...	...	...	...	1,227,193	761,275
Of which from :—						
United Kingdom	...	...	...	...	1,148,165	682,319
Germany	...	...	...	...	65,259	43,666
Russia	...	...	...	...	10,556	27,296

The efforts of the Russians to increase their coal exports to this market have continued during the current year, imports of Russian coal (including bunkers) during the first four months amounting to 26,788 tons. Considerable quantities of this coal are used for bunkering purposes; the vessels of the Sovtorgflot being regular customers both at Alexandria and Port Said.

PROVISIONS.

Competition in the biscuit trade has been noticeable from Belgium and Italy, but in the superior qualities United Kingdom goods are preferred. A certain part of the trade in hams, both tinned and smoked, has passed into the hands of Continental manufacturers, as it is said locally that York hams are too salty and too fat for this market. Fresh hams are now mostly imported from Czecho-Slovakia and tinned hams from Denmark, Holland and France. Switzerland is the strongest competitor in the supply of better quality jams and Dutch competition in the cheaper qualities is very keen.

American and Canadian trade in various cereal products, such as "corn flakes" etc., appears to have developed while the United Kingdom's important share in infants' milk foods, etc., remains predominant. Canadian, Swiss and Dutch manufacturers compete with each other in the tinned milk business.

United Kingdom trade in chocolates and cocoa, and confectionery, has been seriously damaged, not only by the high rates of duty applied to these articles, but still more by the fact that these duties are applied on an *ad valorem* basis. Owing to the decline in purchasing power of the market, not only has local production benefited by the new duties but competition from Switzerland, Holland, Belgium and Italy has increased at the expense of the United Kingdom. Belgium and Holland, for the most part, only supply the very cheap quality of chocolates in large quantities for the consumption of the poorer classes.

Confectionery.—Immediately following the application of higher duties Swiss chocolate manufacturers substantially reduced their prices to cover the increase in duty, whereas United Kingdom manufacturers, with the exception of a very few firms, not only maintained their prices but in some cases raised their quotations in 1931 price lists.

At the same time, local manufacturers, taking advantage of the protection afforded, have endeavoured to improve the quality, variety and packing of their products.

The following statistics of imports of chocolates, confectionery and cocoa during 1930 from the United Kingdom and her leading competitors are illuminating :—

	Cocoa	Chocolates	Con- fectionery
	£E.	£E.	£E.
United Kingdom	1,920	15,937	16,261
Holland	3,374	—	—
Belgium	—	17,881	3,262
Switzerland	—	17,039	—
France	—	—	7,077
United States	—	—	6,593
Total (all sources)	6,041	75,462	48,415

The United Kingdom share was £E.34,118 out of a total from all sources of supply amounting to £E.129,918.

Though imports of United Kingdom cocoa declined as a result of the new duties, they remain the more important, as a certain quantity of superior quality cocoa will always be required, whereas Dutch qualities, both loose and in tins for the cheaper market, have recently suffered to a greater extent.

The value of imports of whisky declined somewhat compared with 1929, as shown in the following figures :—

	1930	1929
	£E.	£E.
United Kingdom	118,637	145,192
Total	120,391	145,542

Although the consumption of the low grade local product has, if anything, increased, the well known United Kingdom marks are just as popular as ever.

Some damage has been caused to United Kingdom trade in bottled squashes, partly as a result of the high rates of duty applicable to containers, and, to a certain extent, to competition by local manufacturers, but as many of the latter use essences of United Kingdom manufacture, the general trade has not been so seriously affected. On the other hand, Palestinian trade in mineral waters has materially suffered as a result of the high duties on containers.

Germany, Czecho-Slovakia and Denmark continue to compete for the market for light beers, the United Kingdom's share of the trade being mainly for consumption by His Majesty's Forces and the British colony. The local product sells fairly widely among the poorer classes of consumers.

LEATHER.

Leather.—Imports of Leather during 1929 and 1930 amounted to £E.28,693 (heavy), £E.173,900 (light) totalling £E.202,593 in 1929 as compared with £E.165,611 in 1930.

It is claimed by local importers that a good market exists in Egypt for the following classes of leather for uppers of United Kingdom manufacture, but that owing to the failure of many United Kingdom producers to grasp the requirements of the market, much of this business has gone to American and Continental suppliers:— Willow calf, box calf, glazed kid, and light side leather in black and colours in demand in Egypt. Tannage must be chrome instead of vegetable tanned, for which there is no demand. The largest consumption is in low priced grades of medium weight. Although the quality of United Kingdom leathers is admitted, it is claimed that prices are too high and credit facilities too stringent. While public advertisement of leather for footwear is not necessary, distribution to buyers of sample pads of cuttings and attractive gifts bearing the name of the manufacturer should be encouraged.

The majority of foreign leather manufacturers grant 3 months' credit to their agents, as these terms are the minimum that a merchant will accept and, in this connection, it should be said that owing to the present depressed condition of the market only merchants of the best standing should be accorded facilities.

(Statistics of imports of leather during 1929 and 1930 appear in Appendix XIII.)

United Kingdom trade in the better qualities of leather suit-cases, etc., was seriously challenged during the period under review by Austrian fibre suit-cases of good quality and finish which were sold at very much lower prices than the English leather goods. There is also a considerable local output of good class leather suit-cases, etc., at very reasonable prices.

Cheap quotations from the Continent for fancy leather goods of all descriptions made serious inroads into British trade in these goods, as price before quality has been the deciding factor in most of these lines.

Footwear.—The value of total imports of footwear into Egypt during 1930 amounted to £E.269,140 compared with £E.284,859 in 1929. The most striking development in connection with this trade was the strength of competition from Czecho-Slovakia, whose share of the trade increased from £E.52,898 in 1929 to £E.63,027 in 1930 as against imports from the United Kingdom valued at £E.83,618 in 1929 and only £E.59,757 in 1930. While French and Italian imports also declined from £E.51,406 and £E.23,649 respectively in 1929 to £E.34,675 and £E.18,831 in 1930, Germany's share, on the other hand, increased from £E.26,833 in 1929 to £E.34,357 in 1930.

In short it may be said that one Czecho-Slovakian firm has been responsible for ousting United Kingdom manufacturers from the leading position of Egypt's foreign suppliers of footwear.

While United Kingdom manufacturers were successful during the year under review in securing some important Egyptian

Government contracts for service boots to an approximate value of some £E.12,000, the low prices offered by the Czecho-Slovakian firm in the general market, particularly for ladies' and children's wear, rendered successful competition by United Kingdom manufacturers exceedingly difficult. Furthermore, the increased output of locally produced shoes, particularly in ladies' wear, forced competition in the cheaper articles to a very low price level. Although men's and youths' wear of United Kingdom production are still the most popular in the superior and medium qualities, the inroads by Czecho-Slovakia and local factories (mostly hand-made) into British trade, even in these lines, was apparent.

The attractive discounts given by Continental manufacturers, the fact that they do not charge for packing, and the extended credit terms* accorded, quite apart from the stimulus given to local producers by the higher import duties now applicable, have all contributed towards the United Kingdom's loss of trade.

CHEMICAL TRADE.

Dyestuffs.—Coal tar dyes have in Egypt, as in other countries, almost completely replaced the natural dyes, and the latter are used only in very limited quantities for better class work.

Synthetic indigo was first introduced into Egypt about 40 years ago by two German factories which regularly sent their chemists to Egypt, and every little village of the country was for years systematically canvassed. Thus the local industry was developed with petty dyeworks all over the country, which formed and still form a regular clientele for dyes and indigo of various strengths. Before the war imports of coal tar dyes and synthetic indigo amounted to over £E.100,000 per annum. Since the war, however, the import of ready dyed cotton and silk materials has materially affected the primitive dye-industry in Egypt, as cheap ready made cloth is available, and trade in locally dyed material has thereby lost ground. The annual imports of dyes and synthetic indigo for 1920, 1929 and 1930 are shown in Appendix XIV.

In 1926 the main German dyestuff producers amalgamated and established their own office in Cairo (under the management of their old agent). The following year the French producers joined the merger and, in 1928, a *de facto* sales-control over Swiss dyestuff production was attained by the combine.

Italian producers have an agreement with a Paris firm, controlled by the German combine, and have abandoned the Egyptian market for indigo, but are still selling dyestuffs. In 1929, therefore, the German combine had full control of the dyestuff trade in Egypt

* Information in regard to methods of quoting and terms of payment may be obtained by application to the Department of Overseas Trade.

and commenced increasing prices. The same year a British concern established a branch office in Cairo and commenced supplying dyes and indigo, and during 1930 the British range of dyes was introduced all over the country.

Dye-houses of the primitive oriental type are to be found in almost every town and village in Egypt. The trade is essentially a bazaar trade and only whole-hearted efforts to adopt the oriental viewpoint and to study the peculiarities of its business will lead to success.

In 1929 Parliament granted a considerable amount for the erection of model dye works in Cairo. A British expert is in charge and the work controlled by the Department of Commerce and Industry.

Drugs and Chemicals.—Prior to the War Egypt was not a large buyer of modern specialities and luxuries. Central Europe did the bulk of this type of business and price was more of a factor than quality or design. During and after the War, however, the increased demand for the modern things of life made Egypt a country worth cultivating by the manufacturer of quality goods, and particularly advertised branded specialities.

Branded articles cannot reach a development in Egypt without local stocks being held by sound agents for immediate distribution to the trade. The peculiarities of the Egyptian climate should, however, be borne in mind. In certain lines large stocks are apt to deteriorate and, unless the agent is conscientious, there is risk of the reputation of the commodity suffering among the public owing to the continued sale of the damaged stock. The despatch of regular replenishment supplies is preferable to shipment of more important quantities at one time.

The merchant problem of the local druggist and pharmacist, whether wholesaler or retailer, is unique. He must carry the specialities of every principal export country. The drug trade in Egypt is well organised considering local conditions, but is insufficiently organised properly to carry on an indent business with foreign suppliers.

Briefly, the manufacturer of branded specialities who relies on direct shipment to dealers must expect moments of shortage of goods in the country, and at other times over-stocking with consequent price-cutting. No agent should be permitted to make his own prices to the trade without control by the manufacturer. Profiteering is likely to result.

The minimum merchandise profit on which an agent can operate successfully is 10 per cent. on the gross sales; this profit should be based on sales price, and not on cost. The maximum should never be more than 12 per cent.

No local agent should be permitted to handle the advertising of a product, unless he has had some advertising experience. In the latter case he is frequently better equipped to advertise a product

than a home advertising agency. Advertising should never be commenced until a reasonable distribution of goods has been effected, at least in Cairo, Alexandria and Port Said.

Advertising is naturally the motive force behind the sales of branded goods. Dealers' effort is a comparatively negligible factor in Egypt because of the wide variety of goods he must stock. The consumer must be brought to his shop and the agent must be sufficiently strong to see that customers asking for certain advertised products are not misled by dealers who attempt to offer them inferior unadvertised brands on which the dealer's profit is naturally larger.

Generally speaking, it is dangerous to permit the local agent to handle the advertising at all, but certainly he can be very helpful, particularly in the selection of media and prices.

Price is distinctly a factor of unbranded chemicals and drugs. In only one or two instances is a manufacturer's name sufficiently a guide to high quality to overcome price competition.

Contrary to the rule of spot stocks in the hands of agents, in so far as sales of branded specialities are concerned, it has not been found wise to carry stocks in Egypt of drugs and chemicals. For one reason the profit is less and world price changes of commodities constantly affect the buyer's offerings in Egypt.

It is wisest to sell to a few of the most reliable wholesale druggists and large retailers on firm orders on a basis of price in vogue the day of shipment. Continental competition is exceedingly severe. British chemicals have given satisfaction and, in a number of instances, are demanded by dealers. Volume can only result from success in quotation, and that, of course, depends upon the ability of British manufacturers to buy and to keep stock constantly in movement, so as to be able to quote practically on the daily rise and fall in world chemical prices. Generally speaking, volumes are not promising and most large chemical manufacturers find Egypt an uninteresting market.

Heavy Industrial Chemicals.—The most important among these is caustic soda. A local company are large manufacturers of this product, and it is believed that their production is about 3,000 tons per annum. This company exports its products to adjacent countries, such as Greece and Turkey. The imports of British heavy chemicals are on the increase. This is due largely to the fact that a British chemical concern has entered energetically the Egyptian market through its own direct selling offices in Cairo and Alexandria, where stocks are carried and the requirements of the market closely followed.

Credit Terms and Finance.—In the drug trade specialities are mostly sold from agents' stocks, and usually three months' credit is the rule. The agent nearly always carries the credit risk on sales from his depôt to the trade. Between manufacturer and agent

a variety of methods of financing are followed, usually depending upon the strength of the manufacturer and the financial standing of the agent. Very few foreign manufacturers demand cash against documents from their agents, though American manufacturers as a general rule follow this form of financing. This is due to their inability to ship themselves and their custom of shipping through New York export commission houses, who discount their bills with their Bank and demand D/P terms, even from their agents. French houses usually place consignments with their agents, as do German manufacturers. British manufacturers are said to be as liberal as any of their competitors. With very reputable agents goods are usually placed on consignment, subject to monthly report and monthly remittances for sales. It is advisable, in this case, that the agent assume all financial responsibility on resale of consigned goods. Sixty days D/A is the average credit allowed to either agent or direct buyer by those American manufacturers who ship direct and by Continental houses.

In instances where a manufacturer ships direct to the drug trade, whether spot stocks are held locally or not, it is seldom advisable to ship goods on consignment. To well established dealers sixty or ninety days D/A is more practicable and wise. Open account is hardly ever advisable. Bank interest should not be charged either to agent or to dealer, if documents are discounted at the source of shipment. It is true that an agent can include all such charges in his cost, but on direct shipments to dealers, Bank interest is not understood and is a source of constant friction with the trade. Where a manufacturer ships to agent or direct to trade, it is advisable for him to calculate all his costs, including Bank interests and collection charges, before fixing his price. On shipments of chemicals and drugs, cash against documents is usually impossible to obtain. Sixty to ninety days D/A are the average terms allowed by Continental suppliers without any Bank interest added. It is always advisable to quote c.i.f. if shipping direct to the trade, but in working with agents who carry their own stocks, either f.o.b. factory or f.o.b. port can be quoted, as an agent can quickly calculate his costs.

The potentialities of the Egyptian market are quite favourable, but limited. Manufacturers should not let themselves be over-persuaded, therefore, by their agents into fancy and exaggerated advertising budgets for new and untried specialities. On the other hand, no manufacturer can hope to develop his product through salesmanship alone. For the reasons given above, the consuming public must be brought to the dealer's shop by the force and quality of the manufacturer's advertising effort.

Chemical Fertilisers.—Egypt has been for the last thirty years a market for chemical fertilisers. Of the three main nutritive elements for plants, namely, nitrogen, potash and phosphoric acid, the two latter are not nearly so important to Egyptian agriculture as the former.

The potash imported into Egypt arrives in the form of sulphate of potash from the German Kalisyndikat, and the phosphoric acid arrives generally in superphosphates, chiefly from Belgium, Holland, France and Greece. Neither of these are of direct interest to British trade in Egypt. (For British Phosphate Company see under " Mines.")

The nitrogenous fertilisers imported into Egypt to-day are Chilean nitrate of soda, German (and Norwegian) nitrate of lime, British nitro-chalk, sulphate of ammonia from various sources and a quantity of other synthetic products of less importance to the Egyptian market (cyanamide of lime, etc.).

The following figures give quantities imported since 1920 :—

Year		Nitrate of Soda	Nitrate of Lime	Nitro Chalk	Sulphate Of Ammonia
		tons	tons	tons	tons
1920	... ..	98,889	—	—	3,431
1921	... ..	35,157	3,155	—	1,764
1922	... ..	97,350	7,597	—	2,758
1923	... ..	70,315	3,943	—	4,660
1924	... ..	121,835	7,956	—	4,955
1925	... ..	173,764	14,494	—	9,565
1926	... ..	172,849	25,236	—	3,453
1927	... ..	142,299	33,519	—	2,952
1928	... ..	188,077	39,886	—	4,480
1929	... ..	193,125	64,795	2,055	2,590
1930	... ..	170,050	74,302	5,184	2,746

As it will be seen from the above figures, the fertiliser universally used in Egypt is still the Chilean nitrate of soda. Owing to the attitude of the Egyptian agriculturist, who is probably more conservative than agriculturists in most other countries, nitrate of soda has held its ground in Egypt in spite of very keen competition from the synthetic products which, although, it is contended, of equal efficiency, are being offered at considerably lower prices and with many facilities by way of credit, etc.

The agriculturist in Egypt has hardly any founded opinion on the merits of the various kinds of nitrogenous fertilisers and the popularity of Chilean nitrate of soda is mainly due to tradition.

It is typical that sulphate of ammonia is still comparatively unknown in Egypt, although for years it has given quite as good results per unit of nitrogen as the nitrate of soda for most of the important crops in Egypt, and it has been considerably cheaper per unit of nitrogen than the nitrates. Originally this was no doubt due to the fact that sulphate of ammonia producers did not whole-heartedly attack the Egyptian market, and their task is now a more difficult one as sulphate of ammonia has in consequence fallen into discredit. Another reason why the agriculturist does not so readily adopt sulphate of ammonia is that its action

is slower, and the fellah of Egypt is apt to judge by the early evidence of effect.

The fact that sulphate of ammonia can be supplied from various sources, and has been offered on this market sporadically from different countries and at varying prices, rendered the product less interesting from a merchant's point of view. There is no improvement in sales of sulphate of ammonia.

Chilean nitrate of soda was the sole prevailing nitrate on the Egyptian market until 1921 when the synthetic nitrates were introduced. Nitrate of soda was sold on a cash basis and owing to its popularity is generally speaking still a cash commodity. The chief distributor until about 1924 was the Royal Agricultural Society (a unique kind of agricultural co-operative society) and two or three importers who did quite good business, either in selling from own depôts up country or through local merchants.

In 1924 the Ministry of Agriculture started buying fertilisers and sold from depôts established all over the country. The argument was that cheap and good fertilisers would thus be supplied to the small cultivators, merchants would be obliged to accept reasonable profits, and the cultivators be given the opportunity of paying from the crop (which practically speaking only means the cotton crop as the other crops are less remunerative) at time of harvest. This started a system of credit which, followed by the merchants, threatens to become a real danger and, considering the fact that the value of Egypt's export of cotton for years has represented over 80 per cent. of her total export, it will readily be understood to what extent Egypt is dependent on that sole crop, and in what position the agriculturist is to-day when prices of raw cotton have fallen 50 per cent. in a year.

To-day the Ministry of Agriculture are the chief distributors of fertilisers and will no doubt continue so for years to come, as they enjoy the privilege of encashing by the tax collectors, and are alone entitled to seize property of less than 5 feddans (acres) for covering of debts. The Ministry of Agriculture are now confining themselves to strict business considerations and buy such fertilisers only as are in demand.

The Chilean Nitrate Producers' Association of Valparaiso (now Compagnia Salitrera de Chile) last year established offices in Alexandria and Cairo for propaganda and sales of Chilean nitrate (they previously only had a technical service in this country), and these offices are selling direct to consumers opening up stores up-country. Chile no longer depends on outsiders for maintaining this important market.

Granulated nitrate of soda (Guggenheim system) is imported and sold in special 50 kilo single bags, bearing "The Champion" (Bull-dog brand). The ordinary nitrate of soda is sold in 100 kilos double bags regulated at time of despatching up-country, as the goods arrive in single original bags, the weight of which varies

from 97 kilos to 102 kilos, and the law on fertilisers requires that nitrate of soda should be sold in regulated bags of 100 kilos gross.

The Association have thus entered into direct competition with the late importers of nitrate of soda, now wholesale merchants, and also the Royal Agricultural Society, who have had for many years their depôts up-country. The result is that in one village one can find the Ministry of Agriculture's depôt (where fertilisers are sold on easy payment terms), that of the Royal Agricultural Society and those, sometimes three or four in number, of the wholesale merchants. The result of this is, of course, that the various agents, in order to push business, are under-cutting prices or abandoning part of their commission, thus leaving practically no profit to anybody.

Nitro-chalk from the United Kingdom was first introduced in Egypt in 1929. It has already proved a worthy challenger and agriculturists are generally very satisfied. It is chiefly sold on credit, mostly through local dealers (concessionaires) and occasionally direct to consumers. The Royal Agricultural Society is selling nitro-chalk from its stores up-country. It has been found advisable to sell through local dealers, as only when a fertilizer has become known to the agriculturists (as is the case with nitrate of soda) will they make special efforts to get it. For some years to come sellers of nitro-chalk will presumably have to search out the consumers.

Norwegian nitrate of lime is now in the hands of the German chemical combine, and is manufactured on the German process, i.e. at 15.50 per cent. nitrogen instead of 30 per cent. French nitrate of lime, since the conference in June last of the Continental manufacturers, is no more imported into Egypt. Cyanamide of lime and sulphate of potash make little if any progress.

Superphosphate of lime, 16-18 per cent., has been less imported, owing to the economic position, but this trade is of very little interest, owing to the very serious competition between the importers here who act as agents for European factories. Customs duties remain the same.

Egypt will, no doubt, consume increasing quantities of nitrates for some years, and although the present crisis invites special caution, the fertiliser business is broadly speaking a safer business than most others, as the ultimate consumer has landed property.

Interest has re-awakened in the proposal to manufacture sulphuric acid and superphosphates in the country, using for the latter purpose the phosphates mined on the Red Sea coast. A strong local group is investigating the possibilities, and it is stated that the Government regards the proposal with benevolent eyes.

It has recently been stated that potash deposits of a workable nature have been found in the desert west of Alexandria. Investigations, in which German interests are said to be concerned, are stated to be proceeding.

MISCELLANEOUS TRADES.

Glassware and Chinaware.—Belgium remains the largest supplier of the cheaper qualities of glass and glassware and, to a certain extent, competes in the superior qualities. Her trade with Egypt is invariably on long credit terms without interest.* France, Czecho-Slovakia and Germany respectively trade on much the same lines, but while French competition is strong in the medium qualities of glassware, Germany, on the other hand, specialises in designs.

The United Kingdom furnishes a very limited quantity of good glass and cut glass, generally to direct order.

Continental suppliers pack their goods quite well, for which they make an inclusive charge, but United Kingdom manufacturers charge separately and heavily for packing, cases and crates. It is held in Egypt that, comparatively speaking, Continental glassware is as good as British, while United Kingdom goods are generally too expensive for this market. Also the criticism is made that United Kingdom manufacturers do not allow the credit facilities demanded by the Egyptian market.

As stated under the heading of "Local Industries," efforts are being made to revive the old Egyptian glass blowing industry on modern lines, and with that object the services of a European expert have been secured.

Almost similar market conditions exist in regard to table china-ware, the main trade for the cheap and medium priced lines being in the hands of Czecho-Slovakian, French and German firms; the United Kingdom's contribution being confined to a very limited supply of the very best qualities.

As Egypt is generally a "cheap" market for the above lines, trade in the better quality goods is rendered particularly difficult.

The Film Business in Egypt, Season 1930-31.—Although there are no statistics available at the moment giving actual figures it is a fact that the importation of cinematographic films to Egypt during the season 1930-31 has been unprecedented, very largely owing to the revolution brought about by the advent of "talkies."

It was largely anticipated in view of the fact that British producers would be starting on a par with other competitors, so far as "talkies" were concerned, that this market might expect to receive a larger quota of British films than heretofore. Such, however, has not been the case—the United Kingdom still remains fourth on the list of film exporters to Egypt—America still easily holding the lead, with France and Germany second and third respectively.

The chief reasons for the shortage of British films in this country are stated to be the following :—

* Information in regard to methods of quoting and terms of payment may be obtained by application to the Department of Overseas Trade.

(1) With few exceptions British films are produced to cater for, and to appeal to, an English public only, and the producers generally adapt their films from stage plays which have met with successful runs at home. The producers appear to consider but little the vast audiences abroad whose tastes differ materially from that of the home market.

So far as these territories are concerned the films mainly required are fast moving subjects, films based on well-known novels, and films of sex appeal. Even in these the spoken lines should be reduced to a minimum, so that they may be appreciated by the highly cosmopolitan audiences of Egypt.

(2) British producers do not seem disposed, for some reason or other, to compete on similar lines to those of other countries.

With regard to (1) certainly a few of the very best British all-talking productions would be welcomed by all nationalities in this country as a large number of the public in the large towns speak English, and the time is now opportune to consider this question seriously. It would seem that there is likely to be a dearth of English talking films in these territories, and, *provided that a selection of the very best available films* be sent to Egypt, good business is assured if they are properly handled. It should be borne in mind that a good English talkie in these territories, i.e., Egypt, Palestine and Syria, should obtain a return of £E.800, which amount is well worth an effort to attain.

With regard to (2) the following is a brief outline of the conditions and terms adopted by successful competing distributors :—

(a) The territory through which the film will be distributed is Egypt, Syria and Palestine.

(b) Delivery of the film is made over a period of 12 months from the date of the agreement, at the rate of an agreed number of programmes a month, payment being made by the local agent at the time of the presentation of the documents.

(c) The contract covers a period of five years, at the end of which time the film again becomes the property of the owner.

(d) All prints are supplied with flash titles and cost of these prints is at the rate of 2½ cents a linear foot.

(e) The cost of prints, shipping charges, duty, customs, etc., are paid by the agent when the films are received.

(f) The pictures are distributed on a 60/40 per cent. basis, i.e., 60 per cent. to the producer and 40 per cent. to the agent.

(g) The agent is entitled to deduct from the first gross receipts the following—all amounts paid by him in respect of prints, advertising material, packing, shipping and insurance charges, customs duty, etc. After this deduction the percentages mentioned in (f) come into operation.

(h) They also stipulate a minimum guaranteed earning for each film.

The exhibitor in this country at the present time is very dissatisfied with this system of minimum guarantees. The present practice when supplying films for a cinema is as follows: The exhibitor takes a programme on a percentage basis, e.g., 50/50, but the stipulation is made by the local distributing agent that his percentage shall reach a certain figure, which varies according to the supposed drawing capacity of the film. If this figure is not reached, then the exhibitor must make up the balance out of his proportion. This practice has been brought about owing to the American and Continental distributors insisting on a minimum guaranteed earning for each film, and obviously the local distri-

buting agent covers himself by a similar process. The exhibitor naturally objects to this guarantee as the drawing capacity of a film in a country such as Egypt is always a lottery, and the exhibitors hold that the distributing agents should take their share of the risk as well as the profit.

It might be appropriate to mention here another mistake which is being made by the foreign distributors, and that is the system of block-booking, in the desire to bolster up sales records. The effect is apparently that local distributors are burdened with a quantity of films which are more or less valueless and unfitted for these territories, and, in many cases, never get beyond the customs, with probably consequent litigation.

If British producers would, for the first year, send out say not more than 7 or 8 of their very best productions, they should get a good foothold in this market.

With regard to cinematographic apparatus, little or nothing has been done in these territories by British firms. The bulk of the machinery and equipment installed is of German, American or French manufacture. At the present time, there is a considerable demand for a moderately priced sound installation, and there would seem to be quite a number of reliable machines of British manufacture suitable for this market. In Egypt the smaller provincial cinemas cannot afford to pay spot cash for their sound installations, and, in consequence, providers of this type of material have to give very extended terms. Here again, British manufacturers demand cash terms, or its equivalent, and the whole of the burden is placed on the buyer, whereas American and European firms are prepared to meet the local buyer and grant a certain amount of credit.

Continental and local manufacturers and merchants make use in this country of the screen as a means of advertising, showing processes of manufacture, shipment, conditions of labour, etc., but United Kingdom firms, with few exceptions, still appear to ignore this valuable advertising medium. This type of film is camouflaged and is shown as part of the complementary programme as an item of topical interest. There is a wide field here for this method of advertisement, but one important point should be borne in mind; if the films are to provide their maximum advertising value they should have embodied in them, besides French, Arabic sub-titles prepared by competent Arabic scholars who understand the Arabic temperament, so that the fullest and widest appeal may be made.

Gramophones, etc.—Imports of gramophones, including parts and fittings, during 1929 and 1930 amounted in value to £E.60,826 and £E.34,595 respectively, of which the United Kingdom supplied £E.21,172 and £E.15,404, and Germany £E.22,254 and £E.10,533. It would seem that Germany's large share of this trade is mainly accounted for by the large import of records, parts and fittings.

German competition in records and needles is also very severe, imports of the former from that country amounting, during the two years under review, to values of £E.30,091 and £E.21,282, out of total imports of £E.62,528 and £E.47,375. The United Kingdom's share of this trade reached only £E.24,889 and £E.16,999 in 1929 and 1930 respectively. It should be said that apart from the ill effects of the market depression in 1930 the lack of education of the great mass of Egyptians is an obstacle to musical development, and, consequently, to the sale of gramophones and other musical instruments. At the same time the local European clientèle and educated classes of Egyptians form a by no means insignificant market, which, given normal conditions, should develop year by year. There is a certain market for Arabic records and the oriental music or songs produced by local artistes are popular. A point of interest is that German and American manufacturers generally accord six months' credit* and facilities, if need be, including participation in advertising expenditure, whereas most United Kingdom suppliers, on the other hand, will only grant shorter terms of credit with fewer facilities.

Wireless Apparatus.—While United Kingdom sales of wireless receiving sets have been creditably developed through the efforts of a few enterprising representatives, there is still much room for improvement. In spite of the peculiar position of the market due to the lack of authorised broadcasting facilities, the progress made by American and Continental manufacturers during the last two years has been considerable.

The success of foreign competitors has been partly due to more elastic credit terms than are granted by United Kingdom manufacturers, and partly to greater facilities accorded to their agents in connection with distribution, carrying of heavy stocks, etc.

The change in system of the wireless station at Ras el Tin, which has hitherto seriously interrupted local reception, is to be welcomed, and will doubtless give an impetus to trade in receiving sets.

Imports of these goods during 1929 and 1930 amounted to £E.29,094 and £E.52,043 respectively, principally shared by the following countries :—

					1929 £E.	1930 £E.
United Kingdom	...	...	...	...	10,823	5,680
Germany	...	...	...	...	4,766	6,457
Holland	...	...	...	...	4,579	6,889
United States	...	...	...	...	3,831	6,919

Sports Goods.—There is a growing market in Egypt for sports goods, both lawn tennis and football (mainly Association) become

* Information in regard to methods of quoting, terms of credit, and other details, may be obtained by application to the Department of Overseas Trade.

ing increasingly popular. There are also half a dozen well patronised golf clubs, and the popularity of boxing in the country is growing.

APPARATUS AND REQUISITES FOR SPORT.

(i.e. for Lawn Tennis, Football, etc.)

Imports for 1930. (From 1st March to 31st of December).

	£E.
United Kingdom	13,581
France	2,042
Germany	830
Other countries	1,860
Total	18,313

In some cases local retailers have complained that certain British manufacturers of sports goods are apparently making a regular practice of selling direct to clubs, schools, etc., at wholesale prices. This manifestly deprives the retailer of a large number of potential customers and, in the case of a small man who has been doing his best to popularise the goods of the manufacturers with whom he deals, inflicts a very real hardship.

Mineral Oils.—Benzine.—There was a decrease in the amounts imported in 1930 on account of the large quantities supplied to the local markets by the Government Petroleum Refinery. Thus imports from Roumania suffered to the extent of 3,500 tons. It is to be noted that the drop in the value of imports was not proportionate to the decrease in the quantities imported.

Principal countries whence consigned :—

	1929		1930	
	Tons	£E.	Tons	£E.
Egyptian Government Petroleum Refinery	17,000	145,000	24,300	187,000
Roumania	30,500	263,000	27,000	207,000
Russia	22,300	193,000	13,000	96,500
United States of America	850	9,000	2,700	23,200

Kerosene.—The decrease in imports amounted to 3,000 tons and £E.156,000. The drop in value is largely due to lower prices which were 15 per cent. down.

Roumania remained the chief exporter of kerosene and is followed by Russia as set out below.

Principal countries whence consigned :—

	1929		1930	
	Tons	£E.	Tons	£E.
Roumania	179,700	657,000	201,500	640,000
Russia	116,200	435,000	86,900	290,000
United States of America	7,300	47,000	10,600	69,000
Government Refinery	9,200	34,000	8,900	31,000

Liquid Fuel (Mazout). — There was an increase amounting to 12,000 tons. The Egyptian Refinery supplied the local markets with 65,400 tons against 80,000 tons in 1929.

Principal countries whence consigned :—

	1929		1930	
	Tons	£E.	Tons	£E.
Roumania	20,000	39,000	40,000	77,000
Russia	12,000	23,000	24,000	43,000
Persia	12,000	25,000	2,400	5,000

Mineral Lubricating Oils and Greases.—There was a decrease in imports amounting to 3,000 tons. The United States remains the chief supplier and is followed by Roumania as set out below.

Principal countries whence consigned :—

	1929		1930	
	Tons	£E.	Tons	£E.
United States of America	9,754	163,000	8,164	129,500
Roumania	7,124	64,000	7,196	66,800
United Kingdom	2,110	36,000	1,076	23,500
Germany	1,905	25,000	1,863	14,400

EXPORTS OF EGYPTIAN PRODUCE.

Statistics of the export trade in 1929 and 1930 are contained in Appendices XXII to XXVI inclusive.

The total decrease in the value of the export trade in 1930 as compared with 1929 was no less than £E.20 millions. The principal items contributing to this deficiency were :—

	decrease	of	£E.
Raw cotton	17,500,000
Cotton seed	"	"	746,000
Cotton seed oil	"	"	46,000
Rice	"	"	341,000
Onions	"	"	332,000
Maize	"	"	445,000
Eggs	"	"	62,000
Mineral ores	"	"	126,000
Mazout fuel oil	"	"	89,000
Cigarettes	"	"	40,000

The chief items showing an increase over 1929 were the following :—

						£E.
Cotton seed cake	...	increase	of	...	...	300,000
Benzine	... ..	"	"	...	...	116,000
Phosphate	... ..	"	"	...	...	81,000

Reference has been made earlier in this report to the decline in the exports of raw cotton.

Exports of cotton seed in 1930 showed an increase of 84,000 ardebs, the large decline in the value being due to the fall in prices.

The decreases in the exports of rice, onions, and maize may be attributed to the abundance and cheaper prices of these crops in Europe.

LOCAL INDUSTRIES.

Apart from agriculture upon which the great mass of Egypt's population directly depends, the following may be taken as the more important industries, most of which are now sheltered to a considerable extent by protective duties and Governmental preference.

(a) Industries of Spinning and Weaving.—Cotton is mechanically spun in three factories :—

(1) Filature National d'Egypte Alexandria, which is equipped with 60,000 spindles employing about 1,400 workmen and consuming annually about 60,000 cantars of low grade Egyptian cotton. This factory is capable of producing yarns of 20s counts and lately it has succeeded in spinning yarns up to 50s counts from M.G.F. The amount of yarns produced annually is about 5,000,000 lbs., the best part of which is consumed locally and the remainder exported to Syria, Turkey, Greece, the Balkans and Persia. This company's capital is stated to be £E.150,000.

(2) Société Misr pour la Filature et le Tissage du Coton at Mehalla el Koubra. This factory, which is not yet fully working, is provided with 12,500 spindles and when extended is likely to consume 12,000 cantars of low grade cotton annually. This company's capital is stated to be £E.300,000. In erecting this mill care has been taken to make provision for further extension.

(3) Spinning factory attached to the Prison's Department which prepares the yarns required by that Administration for weaving the materials for prisoners' uniforms. This factory possesses about 1,000 spindles and consumes about 25,000 cantars of low grade Egyptian cotton annually.

The following factories are included in the weaving industry :—

(4) Filature Nationale d'Alexandrie, for cotton spinning and weaving—(see (1) above). It possesses 800 power looms in addition to the spindles referred to above which produce some 6,000,000 yards of grey calico and Damoor fabrics. An experimental dyehouse, including bleaching and finishing apparatus, is attached to this factory.

(5) Société Misr pour la Filature et le Tissage du Coton (see (2) above). This factory possesses 480 power looms not yet producing fully and it is expected that present capacity will be trebled in the future. The erection of a dyehouse to include bleaching and finishing is contemplated.

(6) *Société Misr pour la Filature et le Tissage de la Soie, Damietta.* This factory which has been established for some years for silk throwing, weaving, dyeing, and finishing can produce only a limited output.

(7) *Durra Brothers.* This factory for knitting cotton and woollen underwear and socks is equipped with modern machinery comprising 180 machines. A dyehouse including bleaching and finishing is attached to the works. About 24,000 lbs. of cotton yarns are consumed monthly over and above an unknown quantity of silk, artificial silk and woollen yarns. 8,000 dozen socks and 4,000 dozen of underwear are produced monthly.

A great number of hand spindles and looms for spinning and weaving wool and cotton are in use throughout the country, and a limited number of Government trade schools and small individual factories for wool, cotton, and silk spinning and weaving exist in Egypt.

(8) *Société Misr pour le Lin.* This company possesses a mill which has been in existence for some years, but owing to difficulties experienced in Egypt in flax retting it is doubtful whether this industry will be very successful, at any rate for some time to come.

(b) Other Industries.—The Department of Commerce and Industry are fostering all local industries by according technical assistance and advice, and the services of a number of European experts have been secured to this end. The Government Department concerned is making special efforts to encourage tanning and leather industries, glass manufacture, dyeing, manufacture of confectionery, footwear, clothing, soap and oils, earthenware, tiles, conduits, furniture, buttons, rice hulling, etc.

Among the most important local industries which have been established for some time may be mentioned the following :—

The producing wells of the Anglo-Egyptian Oilfields, Ltd., and the Shell Company's Asphalt producing and sulphuric acid plant. (The Shell Company, in its various activities, employs about 4,700 Egyptians and Egyptian subjects).

The various cotton ginneries and pressages.

The dry dock and ship repair equipment possessed by the Khedivial Mail Line. (This company employs altogether some 1,000 Egyptians.) The river shipbuilding and other engineering works of Messrs. T. Cook & Son, Ltd. (employing some 500 Egyptians), and Messrs. The Anglo-American Nile and Tourist Company.

The engineering works of several British and other firms established at Alexandria, Cairo, Port Said and Suez.

The annual output of local cotton seed mills, amounts to some 41,000 tons. This industry employs 1,665 workpeople. (A certain quantity of cotton seed oil is refined for alimentary purposes, the remainder being made into soap or exported.)

The annual local production of soap may be estimated at about 844,000 cantars of diverse qualities, valued at over £E.1,200,000. The soap industry employs 493 workmen.

No accurate statistics are available respecting the output of Egyptian cigarette factories, but a rough estimate of 7,056,806,000 cigarettes may be assumed. Exports of cigarettes in 1930 amounted to 265,375 kgs. valued at £E.301,309, as against 286,592 kgs. or 279,427,000 cigarettes, worth £E.351,916 in 1929.

This industry which comprises some 74 factories employs about 7,504 workmen.

There are some 174 tanneries scattered all over the country, of which only six are more or less up-to-date. Owing to the unsatisfactory condition of flaying it has so far not been possible to produce leather of high quality in Egypt.

The centres for leather work and footwear manufacture are in Cairo, Alexandria and Damietta, apart from the Trade Schools, all work being manual with the exception of one boot and shoe factory at Alexandria using imported leather. Many of the leather goods produced locally, such as handmade footwear, suitcases, etc., are good and cheap. The total number of workpeople employed by these industries is 37,608.

The three large cement works near Cairo produce together approximately 300,000 tons, and there is also a small works in Alexandria.

The cement, plaster and lime industry employs 1,620 workmen, and altogether comprises some 123 factories. (See remarks under separate heading "Building Materials.")

Machinery production does not exist in Egypt, but the importation of the various types of machines manufactured abroad has led to the establishment of a considerable number of small workshops for repair purposes and for the manufacture of spare parts and small pumps and pipes, water taps, etc.

The larger works such as river shipbuilding yards, harbour dry docks and other industrial engineering workshops, mostly owned by British or other European interests, and also the Government workshops of the Ministry of Public Works, Ministry of Communications, etc., are active and employ a large number of men.

The hand brass and copper industries also provide employment for a large number of people.

Machine belting known as "balata" is produced locally at very cheap prices, which have defied competition in the lower grades.

The local salt industry is very important as are also local spirits distilleries, breweries, and the production of earthenware, tiles and conduits, granite quarries, etc., and local brickmaking, basket works, rope work, polishes, furniture and cabinet making, etc., carpets, rugs, beads and other native arts and crafts, tailoring, shirt making, hand laundries, fishing, road and water transport, etc.

The factory at Shoubra (Cairo) which for some years has assembled bedsteads from imported parts, has now undertaken to manufacture these goods in Egypt. As the local company is now always given preference in Egyptian Government contracts, and is helped by the high import duties on bedsteads, it must be anticipated that the future market for imported bedsteads will be seriously diminished.

(c) **Sugar.**—In the early part of 1931, the important sugar refining company (which refines both locally grown and imported

sugar) came to an agreement with the Government under which what amounts to a monopoly is established, measures being taken with a view to safeguarding the interests of the consumers, while assuring to the Government participation in the profits of the undertaking. In order to protect the local industry, both the growers and the refining interests, heavy duties are imposed on imported sugar.

Cell Concrete.—A local company with a capital of £E.7,000 in 140 shares, which may be increased to £E.10,000, was formed in January, 1931, with the object of manufacturing cell concrete (Belton Cellulaire) for distribution in Egypt, the Sudan, Palestine and Syria. It is understood that the new concern have already secured orders which will keep their works at Heliopolis fully employed for several months.

African Rubber Company.—The African Rubber Company of Cairo produce a varied assortment of rubber articles including hose, trolley tyres, brake linings, flooring, tiles, surgical rubber goods, etc.

The local firm have succeeded in securing a number of Egyptian Government contracts—particularly Egyptian State Railways—for the supply of pneumatic hose, flooring, brake linings, etc. Owing to the preference accorded in all adjudications to local products, contracts have been placed in favour of the Cairo concern at prices higher than those of foreign competitors.

MINING.

According to official reports the general trade depression has not affected the mining and quarrying industries in Egypt, with the exception of the production of manganese. As shown in the following figures, and in Appendix XXVII production of Egyptian mines has steadily increased :—

	1928	1929	1930
Petroleum ...	Tons 268,323	Tons 272,114	Tons 285,088
Phosphates ...	„ 200,563	„ 215,311	„ 313,478
Manganese ...	„ 137,502	„ 191,477	„ 128,211
Iron, etc. ...	„ 944	„ 1,017	„ 1,184

The fall in the production of manganese can be attributed to the important increase in United States import dues on that mineral.

It should be said that the largest and oldest established producers of phosphates in Egypt are the Egyptian Phosphate Company, Ltd., whose considerable yearly output is largely exported

to the East. There exist other producing beds, including those worked by an Italian group, and there is also a small local factory of superphosphate of lime in the Suez area. Interest has been revived in a plan to establish at Suez a sulphuric acid and superphosphate factory.

Recently interest has been aroused in the discovery of potash beds in the neighbourhood of Mersa Metru. The examination of the possibility of the commercial exploitation of these beds has not yet been concluded.

A Franco-American group still continues to mine gold in Egypt, and has, it is understood, made successful investigation of certain ancient workings. A German group is extracting molybdenite in the Hurgada area.

A company has recently been formed under the style of the "Société des Terres Rares d'Egypte," with a capital of £E.50,400, which will undertake mining research work in Egypt and exploit certain deposits of ilmenite, magnetite and zirconium.

FISHERIES 1929 AND 1930.

For the year 1929 the catch of the Egyptian fisheries was estimated at approximately 37,057 metric tons, representing a considerable diminution on the figures for the two previous years which were both above the post war average.

The lakes Mariout and Qaroum both returned new low records and it is to the failure of these areas and the lakes generally, with the exception of Lake Brullos, that the low general yield for that year must be ascribed. The sea and the Nile fisheries showed an improvement, but these fisheries are not large enough to influence the general effect of a partial failure in the much bigger lake fisheries.

It would seem that the year 1929 felt the effects of a low Nile in 1927-28 in which many breeding grounds and much fry may have been destroyed. As 1929 enjoyed an abundant flood, the hopes that it would result in a revival and increased catches during 1930 were justified by the event.

The total number of boats licensed for fishing in December, 1929, was 9,540 compared with 9,239 in December, 1928. The wholesale value of fish may be put at 4.5 piastres per kilo, with a corresponding retail price in Cairo of 6.7 piastres per kilo (8.4 per oke).

This gives a value at the point of landing of approximately £E.1,447,740 for the local yield, and a corresponding retail value of approximately £E.2,095,524. In view of the diminution of the catch its wholesale value has shown a rise that was only to be expected. The merchant seems to have sold his fish at a rather less mean price than during the previous year, and would seem to have borne the greater part of the effect of the year's shortage.

From the statistics shown in Appendix XXVIII it will be seen that the total local yield during 1930 amounted to 44,224 metric

tons and the excess of imports over exports during that year to some 5,378 metric tons; the total consumption therefore being 49,602 metric tons, a not unsatisfactory result taking into consideration the general depression of the market and the fact that prices were little altered compared with the previous year.

It should be observed that the new duties imposed on imports of frozen fish and fresh fish of £E.3 per 100 kilograms, the ostensible reason for which was to encourage the local fishing industry, have undoubtedly adversely affected the volume of these imports. It is only of recent years that new methods of refrigeration have enabled frozen fish to be marketed in a condition comparing favourably with the fresh caught fish, and it is doubtful whether the artificial barrier to this business which has now been imposed will help local industry, though it will certainly hold back the development of the frozen fish trade and prove another factor towards increasing the cost of living.

With regard to the efforts being made to develop inland fisheries, a satisfactory experiment was recently carried out when 100,000 young fish were transported by tank wagons from Alexandria to Lake Qaroum. Of this number of fish only 30 per cent. died, and it is considered that with the exercise of extreme caution this mortality could be reduced.

The high price of fish in Egypt is a frequent matter of public comment, the cause being due to the relation of the supply to the extent of the population.

The excess of imports over exports and re-exports representing the foreign fishing products consumed in Egypt declined from 51,120 tons in 1928 to 4,885 tons in 1929, but this difference is more related to the general economic depression than to the particular part played by the local fishing industry.

Imports of fish during 1929 amounted to 5,395 metric tons valued at £E.271,697, or roughly equivalent to 5 piastres per kilogram. The chief elements in the net decrease of imports compared with 1928 were decreases roughly of 300 tons and 100 tons in imports of salt or smoked cod fish and salt or smoked herring. The decrease in the first category was chiefly at the expense of France, and in the second at that of the United Kingdom. Of the increases the only one of importance was that of about 300 tons of canned or potted sardines and anchovies to the advantage of France, Norway, Portugal and Spain.

About 480 tons of fish, fresh and smoked, were exported to Palestine, Syria and neighbouring countries during 1929, amounting in value to £E.32,625 (or at 7 piastres per kilogram) compared with an export value of £E.34,406 in 1928.

A special type of Fisheries Research vessel required by the Egyptian Government costing some £E.35,000 was ordered from a British firm during 1930, and a British assistant to the Director of Fisheries Research was later appointed.

A semi-diesel motor ketch was also ordered from the United Kingdom.

Plans for a proposed Marine Laboratory were approved during 1929 and the project is now under execution.

That the Egyptian Government intends to protect the local fishing industry is evidenced by the high rate of duties now imposed upon imported fish, but, as for various reasons the local production is inadequate in spite of a certain export, it would seem hardly necessary to elevate duties on special categories of fish, such as, for example, frozen herrings, smoked and salted fish, canned fish, anchovies, roes, etc. In some quarters it is maintained that the Government should encourage the importation of the cheaper kinds of fish in order to supply the urban population with a cheap form of food, it being suggested that "fish and chips" dispensed either through the people's kitchens, established during recent months, or from independent establishments, might be introduced with success.

The expansion of the sea fisheries due to the application of power to the Italian trawlers operating from Alexandria and the activities in the Red Sea of the Société Misr des Pêcheries, who collect the catch from native fishermen, is already becoming apparent.

The fact that the order in which the three trawling ports of Egypt stand in regard to catch per net per day's fishing is proportional to the ratio of motor trawlers in their total fleets should prove interesting to United Kingdom manufacturers of marine motors, as the Egyptian Government's enterprise in securing the services of British shipping experts must necessarily lead to a considerable revolution in fishing methods, with the result that the market for marine units and up-to-date fishing gear will increase considerably.

In parenthesis it may be said that among the 40 trawlers licensed to fish out of Alexandria, there were 7 motor propelled vessels, 6 single masted tartones and 1 goelette. These vessels work a single adapted otter trawl having a head-line of about 34 metres and otter boards carried at some distance from the wings in a similar way to the Vigniron fall method. The catch per boat per day's fishing with this gear may be as much as 400-500 kilos; a figure not met with in the case of two sailing tartones working a bull net.

The trawl is worked over the stern and is hauled by a double-barrelled winch placed amidships and carrying about 150 metres of $1\frac{1}{2}$ wire warp on each drum. The winch is worked by a chain drive from the engine that propels the ship. The tartone engines are 50 h.p. hot bulb semi-diesel but that of the goelette is rather more powerful. Of the 34 trawlers working from Port Said, only two were fitted with motors. These vessels work the bull net as a pair or operate the other gear separately.

Six motor propelled boats are included in the 10 trawlers working from Suez. Of these 4 work in pairs and 2 work their nets alone.

The sardine fishery is dealt with on page 91 under a separate sub-heading. Most of the catch appears to have been disposed of at 20-30 m/ms. per kilo.

For some time now the Egyptian Government have had under consideration a scheme for the erection of a sardine canning factory in the neighbourhood of Alexandria, but so far nothing further has materialised in this regard.

The sponge fishing of 1929 amounted to 391,258 pieces fished by 149 divers. The Egyptian Customs valuation of the crop, viz., £E.10,522, is the lowest since 1926.

The 13 licences issued were made up of 10 scaphandre boats carrying 93 divers, 2 ferney with 13, and 7 naked diving boats with 33 divers.

It is generally understood that the post war sponge crop, similarly to many other fisheries, was exceptionally good owing to the holiday the beds had enjoyed, with the natural result that later fisheries under control, though yielding proportionate profit, have not been so great.

On the whole, however, the yield has been well maintained although reports of exhaustion of the beds east of Matruh give cause for alarm.

On originally jointing the " Commission Internationale pour l'Exploration Scientifique de la Mer Mediterranee " Egypt undertook to initiate :—

(1) A biological investigation into the tunny and other food fishes.

(2) A general oceanographic survey. At a subsequent meeting she was charged with the study of the general biology of the Eastern Mediterranean.

Sardines.—In the latter part of 1929 a system of employing collectors of statistics enabled a little more accurate information to be gathered regarding the catch at Abou Kir and Rosetta. In former years the estimate of this most important fishery has been based on very incomplete halaka returns.

Information from the two stations mentioned indicates that a very large quantity of sardine goes directly to the train without going through the halakas formerly under observation. As the sardine constituted two thirds of the halaka catch for the period during which collectors were employed it seemed reasonable to multiply the railway returns by two thirds in order to get a more correct idea of the size of the catch. This would give Rosetta 1,800 metric tons and Abou Kir 1,000.

From the sardine ports on the other side of the Delta, Damietta and Port Said, there is no especial information from collectors and it is difficult to estimate the proportion of sardines to the general rail despatch as these stations deal largely with Lake Menzala fish.

The following list shows the catch of sardines from the principal sardine ports based upon the very great halaka under-estimate for the sake of comparison with former years.

<i>Year</i>	<i>Abou Kir</i>	<i>Rosetta</i>	<i>Damietta</i>	<i>Port Said</i>
1927	16	15	130	962
1928	23	445	1019	597
1929	574	514	3	56

During 1929 the enormous railway despatch from Rosetta and Abou Kir was almost certainly nearly all sardine; the 1,800 and 1,000 tons attributed to these ports above is then probably an under-estimate.

These figures are included in tables and give a total yield of 3,104 tons. The figures corresponding to the methods of collecting statistics in previous years are given in brackets. By this latter method the yield would be 1,392 tons.

The locus of the fishery having been for several years on the eastern side of the Delta has, it is clear, returned to the western side again this year.

In August, 1929, the sardine fleet was registered as follows :—

<i>Alexandria</i>	<i>Abou Kir</i>	<i>Rosetta</i>	<i>Port Said</i>	<i>Damietta</i>
47	139	243	83	90

but at the end of last year (in the height of the season) corresponding figures were : —

<i>Alexandria</i>	<i>Abou Kir</i>	<i>Rosetta</i>	<i>Port Said</i>	<i>Damietta</i>
—	—	195	70	97

EXHIBITIONS AND FAIRS.

The XIVth Agricultural and Industrial Exhibition was held in Cairo from the 15th February, 1931, when it was formally opened by His Majesty The King of Egypt, until the 31st March, and was largely visited.

A large section of the visiting public was attracted to the booths which displayed working models, or which actually showed processes of manufacture in the presence of the visitors, as well as to the Amusements Park.

United Kingdom participation was represented by various exhibits of agricultural machinery, chemical manures, dye-stuffs, cotton thread, fire engines and fire fighting appliances, belting and roofing, etc.

The products of various local industries were prominently displayed and a keen interest was shown by the spectators in following the processes to which cotton and wool are subjected in the manufacture of cotton cloths and carpets. There was a working model of a cotton gin as well as various looms. Other local industries which attracted attention, though of less commercial importance, were shell buttons, pottery making, glass blowing, gold and silver smiths and straw mats, etc.

Continental manufacturers were also well represented with a display of stationary power plants and pumps, electrical and gas equipment, and a sheet metal gas cutting plant of French manufacture.

III. TRANSPORT AND COMMUNICATIONS.

Harbours and Shipping.—The policy of rigid economy introduced during 1930 was markedly reflected in the operations of the Ports and Lights Administration. Credits for improvements to Alexandria Harbour were eliminated from the Budget and the Consulting Engineer was instructed to stop the works notwithstanding the fact that the Port of Alexandria is rapidly becoming too small for its trade, and that the facilities that it offers for the handling of cargo compare unfavourably with those of other large ports in the Mediterranean. It would seem that this important North African port runs grave risk of losing part of its business if much more time is lost in executing the more immediate works recommended by the International Commission of Experts. In the meantime the much discussed question of the petroleum basins persists, as does the unsatisfactory condition of the nitrate quays.

Projects for the construction of an air port, two breakwaters, two slipways and a jetty at Agami, which were approved under the 1930-31 budget, were also subsequently postponed for reasons of economy.

On the other hand, some smaller works, including the construction of a quay at Ras el Tin, the construction of a lighthouse, breakwater, and fishponds, were carried out, or are still under execution.

The Suez Harbour Works extension scheme, to which reference has been made in earlier reports, was completed during 1930 by the contractors entrusted with the task, and the new harbour was formally opened by His Majesty the King of Egypt in September of that year.

During 1930 the Egyptian Government reduced port dues on *bona fide* tourist vessels visiting Alexandria by 50 per cent.

Complaints were again addressed to the Egyptian Government by shipping interests in regard to the general high rate of port dues in comparison with the facilities provided.

Having regard to the importance of the contracts placed annually by the Ports and Lights Administration, it may be pertinent to this subject to observe that up to the present year United Kingdom manufacturers enjoyed almost a monopoly for supplying lighting equipment for the lighthouses. Unfortunately in the 1930 adjudication for the equipment required for the new lighthouses, the British tenders were so far in excess of a competing offer that a foreign firm secured the order. To make their tender more attractive the foreign firm offered to supply equipment on trial for one year without any payment in advance, and to remove it if unsatisfactory.

Although owing to world depression, shipping movements in Egyptian ports have necessarily been somewhat restricted, a new shipping service with direct sailings from Montreal to Alexandria was inaugurated last year. These services were operated by Messrs. Elder Dempster under charter to the Canadian Government, but have been temporarily suspended until January 1st, 1932.

In order to facilitate the formation of an Egyptian Mercantile Marine the Egyptian Government in January, 1931, decided to subsidise for a term of years a local shipping firm, under the title " Alexandria Navigation Company," and accorded a monopoly under certain conditions to that concern for the transport to Egypt of :—

(a) " General cargo " comprising usual annual f.o.b. purchases by the Egyptian State Railway.

(b) A quarter of the general purchases f.o.b. of that Administration and of the Ministry of Communications.

(c) A quarter of the coal purchases of the Egyptian State Railways and, from Egypt, any goods that the Egyptian Government may desire to export to ports served by the local company.

There will evidently be a direct outlay by the State in connection with this agreement, but it is argued in Egyptian circles that this will be outweighed by the enhanced national prestige and by opening a fresh field for the employment of young Egyptians. In shipping circles it is felt, however, that the present state of the freight market is not such as would justify the initiation of a new shipping line on purely economic grounds, and, in others, it is feared that it will be difficult to prevent the increased costs having to be borne by the goods.

The tax imposed under Article 7 of the new Customs Law on passengers embarking or disembarking at Egyptian ports (mentioned in the Section devoted to legislation enacted in 1930) was rescinded by authority of Law No. 30 of 1931.

The average tonnage per month of ships calling at Egyptian ports was greater than in any previous year, despite the world crisis, which greatly affected the number of ships passing through the Suez Canal, the tonnage of which fell from 1,996,821 per month in 1929 to 1,873,711 last year.

In July, 1931, the new M.V. *Victoria*, which has been specially built for the Lloyd Triestino Company for the Trieste-Alexandria route, made her maiden voyage to Alexandria, where the handsome vessel excited great admiration.

Railways.—Under the sections dealing with State Finance, various references are made to the expenditure of the Egyptian State Railways, and its programme for the future. It may, however, be added that, in common with railway undertakings in many other countries, the Egyptian State Railways have experienced a considerable falling off in receipts during the past two years.

This is ascribed partly to trade depression, but also to severe competition by motor transport undertakings in the carriage of merchandise and passengers. The matter is at present receiving the earnest attention of the Government.

The 12th International Railway Congress will be held in Cairo in 1933, and an organising committee under the presidency of the Prime Minister is now making the necessary preliminary arrangements.

Air Communications.—The importance of Egypt as a central point for aerial voyages in a number of directions is evidenced by the increasing number of individual flyers who passed through the country. Had it not been for her tragic fate, the airship R.101 would have moored at Ismailia. During the month of April, 1931, the airship *Graf Zeppelin* visited Egypt, and made two successful moorings.

Considerable interest in flying is manifested in the country, and negotiations are approaching conclusion for the establishment of an Anglo-Egyptian Aviation Company. The Egyptian Army is also considering the acquisition of a certain number of aeroplanes, but a definite decision in the matter has been temporarily postponed for reasons of economy.

Imperial Airways.—The year 1929 was of great importance both to the public and the company. Until then, the route had only extended from Cairo to Basra although the proposed extension to India along the coasts of Persia and Baluchistan had been surveyed and aerodromes chosen. The consistency with which the service between Cairo and Basra had been run was the chief factor in deciding the company to proceed with its programme of long distance Empire routes.

On April 3rd, 1929, therefore, the route was extended to Karachi, since when, apart from minor interruptions, it has been operated with consistent regularity. Only two services have been cancelled, the proportion of completed over scheduled services being 99.9 per cent.

On December 21st, 1930, by a special charter arrangement with the Indian Government, the route was further extended from Karachi to Delhi; all services scheduled on this extension have been completed.

The mails carried between England and India have steadily increased since the inauguration of the through service and a continuance of this increase is confidently anticipated. The recent introduction of reduced fares coincident with a speeding up of the timetable, reducing the time taken between London and Karachi to 5½ days, has resulted in an increase in passenger traffic indicating that the public is taking full advantage of this fast service at the now truly competitive rates.

Last year the company had the honour to convey in one of its aircraft His Majesty King Albert of Belgium, to Baghdad. On

his return, His Majesty expressed his complete satisfaction with the flight, and with the arrangements which had been made for his comfort.

A feature of the company's activities additional to its regular services, is special charter work. Special flights to various places of interest, for example, Petra and Jerusalem, are frequently undertaken.

A recent event of significance in the company's policy of Empire routes, and one which well might have very far reaching results, has been the opening on March 6th of this year, of the northern part of the projected Cairo-Cape route. At present the route extends from Cairo as far as Mwanza, the section being known as the North African Division; but by the end of the present year it is hoped that this Division will link up with the South African Division which will operate from Mwanza to Cape Town.

The number of passengers carried to date on the northern section of this new route, is most encouraging, the aircraft frequently being loaded to full capacity.

Radio and Telegraphic Communications.—The number of telegrams handled by Marconi Radio Telegraph Company of Egypt S.A. continued to increase to maximum in January, 1930, and following that month little or no change has been noted in the volume, due account being taken of normal seasonal changes, in spite of the " world depression " and the comparatively small number of visitors to Egypt last winter.

Arrangements were made to accept telegrams written in Arabic characters for transmission to and reception from Iraq as from November 1st, 1930.

The negotiations for a concession for working wireless telephony between Egypt and European Countries continued and were successfully concluded by a decision of the Council of Ministers on March 18th, 1931, to grant this company the concession to continue for the same period as that for wireless telegraphy. The actual agreement is now with His Excellency the Minister of Communications awaiting his signature.

Eastern Telegraph Company Limited.—The cable system of the Eastern Telegraph Co. provides Egypt with extremely efficient cable communication.

In Egypt there are four telegraph stations of this service—Cairo, Alexandria, Suez and Port Said. From Alexandria six deep-sea cables stream homeward, this station having direct communication with London and Paris. From Suez five more cables feed India and the Far East. Port Sudan station serves the Sudan, and has also a cable to the Hedjaz (Jeddah).

From Alexandria a cable is connected to Cyprus and Palestine. Between Alexandria and Port Said there are three submarine cables and five landlines. Communication is maintained between Port

Said and Suez by means of numerous underground lines, which take the canal bank as their general route.

Owing to trade depression the traffic receipts have been steadily falling, but it is hoped that the lowest point has now been reached.

Parcel and Air Mails.—Complaints are heard that owing to the lengthy transit required by the long sea route, the parcel post business with the United Kingdom is severely handicapped. An interesting result of the visit of the United Kingdom Trade Mission to Egypt in the early part of 1931, was that the Egyptian Postal Administration have now agreed to accept postal parcels up to a weight of 10 kgs.

The freight rate by air service from the United Kingdom to Egypt at 4s. 9d. per kilo. exclusive of embarkation and clearance expenses, is still too high for a very wide recourse by business firms to this means of transport. It has been suggested that if cheaper rates from the United Kingdom to Egypt by sea direct could be instituted, to counteract the disadvantages of the long sea route, both sea-borne and air-borne parcel post would obtain greater volume of business as the cheaper rates would encourage wider use of parcels post while at the same time airways traffic should be increased in respect of more urgent matters.

Attention may also be drawn to the facilities offered by the P. and O. Parcel Service for the despatch of parcels, too large for the post and too small for cargo service, between the United Kingdom and Egypt. The cost is only 2d. per lb. or 1s. 6d. per cubic foot for light weight parcels, and such parcels receive special attention and are stowed separately from the general and heavier cargo.

All particulars regarding this service, with rates of insurance, can be obtained from the P. and O. Agents.

IV. SOCIAL QUESTIONS.

Cost of Living.—A special bureau has been formed in the Ministry of Finance to deal with this question, and efforts are being made to establish in various towns lists of retailers who will charge only agreed prices for their commodities. In some instances where difficulties have been encountered, it is stated, the bureau has been successful in itself establishing retail shops which, by selling the commodities in question at reasonable prices, have obliged the retailers in the neighbourhood to follow suit.

The question of an obligatory reduction of rents has also been under consideration, but there is some reason to believe that its enactment will prove unnecessary owing to a natural decline of rents as a result of the crisis. It may here be added that in many quarters the proposed legislative reduction of rents is strongly criticised, among other reasons, in that it sanctions a cancellation of contracts formally entered into.

Labour.—Although a draft law on labour legislation had been under examination in 1930, the only tangible result of these deliberations hitherto has been the creation of a Labour Office authorised by Ministerial Decree dated the 8th December to examine into labour conditions generally.

Existing legislation governing labour consists of a number of regulations, corresponding to a certain extent to United Kingdom Factory Acts, and the law regulating the employment of children in ginning factories and a few industries, applied by the Permits Department of the Ministry of the Interior and the Public Health Department. The staff of the new Labour Office is responsible for the inspection of factories and workshops and for the examination of all applications for permits to exploit “ dangerous, unhealthy and inconvenient establishments.”

The draft Law, which has yet to be promulgated, will contain, it is understood, a chapter on labour syndicates and recommend that they should be officially recognised, provided that they fulfil certain conditions. One of the duties of the Labour Office will be to collaborate in the organisation of syndicates.

It should be said that a certain amount of discontent exists at present in various local industries, largely owing to the inevitable reduction in the number of employees consequent upon the depressed economic condition of the country, which the “ protection ” policy, which of recent years has manifested itself, has so far done little to alleviate—indeed, according to some critics, rather to the contrary, since it is contended that it has contributed to the continued high cost of living. In certain industries wages have been reduced or working hours curtailed.

It cannot be overlooked that unemployment has now assumed serious proportions for the first time in the history of Egypt. Probably the trades most seriously affected are those connected with the building industry, which is passing through a period of depression following the boom of the last few years, shoemakers, furniture makers, iron workers, automobile trade workers, knitting and spinning industries. It is understood that the number of employees of the small spinning and weaving establishments has been reduced, and it is believed that from 8,000 to 10,000 taxi drivers, lorry drivers and private chauffeurs are out of work in the capital alone. As a result of the alarm caused by these unsatisfactory conditions, Government Committees have been formed with the object of submitting recommendations in regard to :—

- (1) The continuation of public works which have been postponed for reason of economy.
- (2) Preference in such contracts for the use of local materials.
- (3) Shortening of the working week.
- (4) Study of the housing problem for workers.

The Egyptian Government also propose to introduce in the course of 1931 a new law governing child labour, the introduction

of devices designed to ventilate factories, etc., and in view of the prospective establishment of a local match factory, a law has been drafted preventing the use of white phosphorus in the process of manufacture.

In order to counteract the effect of unemployment and the high cost of living among the urban population, " people's kitchens " have been started in Cairo and other large towns, and have received generous support from public spirited men. It is as yet perhaps too early to judge how far they will attain their object, but the reports hitherto received seem to indicate success.

Other measures are being taken with the object of reducing the high cost of living, including a measure to enforce the marking in shops of the retail prices of certain commodities of general consumption. The question of the formation in the larger towns of supply stores on co-operative lines is also under consideration.

APPENDIX I

SUMMARY OF VALUE OF IMPORTS INTO EGYPT—BY CATEGORIES.

Categories.						Year 1929 £E.
I.	Animals and animal food products	...	...	...	...	1,515,455
II.	Hides, skins and leather goods	...	...	...	...	726,270
III.	Other animal products	...	...	...	...	54,448
IV.	Cereals, flour & agricultural produce	...	...	...	...	5,071,354
V.	Colonial produce and general grocery	...	...	...	...	3,240,582
VI.	Spirits, beverages and oils	...	...	...	...	3,962,039
VII.	Paper and printed matter	...	...	...	...	1,225,443
VIII.	Wood and coal	...	...	...	...	4,311,314
IX.	Stone, earthenware & glassware	...	...	...	...	1,720,685
X.	Dyestuffs, tanstuffs & colours	...	...	...	...	398,313
XI.	Chemical and medicinal products and perfumery	...	...	...	...	4,276,441
XII.	Yarns and textiles	...	...	...	...	16,122,228
XIII.	Metals and metalware	...	...	...	...	9,803,605
XIV.	Miscellaneous	...	...	...	...	2,207,004
Total of merchandise imported						54,635,181
XV.	Tobacco	...	...	...	...	1,454,331
Total of Imports						56,089,512*

* The final corrected figure for total imports is £E56,274,912.

APPENDIX II

SUMMARY OF VALUE OF IMPORTS INTO EGYPT—BY CATEGORIES.

N.B.—Value of Imports into Egypt as from 17th February to 31st December 1930 only.

	Year 1930 £E.
I. Living animals and products of the animal kingdom ...	999,076
II. Products of the vegetable kingdom	3,473,700
III. Animal & vegetable fatty substances, greases, oils & waxes and alimentary fats	484,120
IV. Food preparations & products, beverages, alcoholic liquids, vinegar and tobacco	1,585,895
V. Mineral products	3,340,105
VI. Chemical & pharmaceutical products, colours, var- nishes, perfumery, soap, candles, glue, gelatine, explosives and fertilisers	3,653,140
VII. Skins, hides, leather, furs and articles thereof ...	237,510
VIII. Rubber and manufactures thereof	167,893
IX. Wood, cork, articles thereof & articles made of plait- materials	1,999,146
X. Paper and its applications	766,796
XI. Textile materials and textiles	7,815,961
XII. Footwear, head-gear, umbrellas, parasols and sticks, articles of fashion	308,173
XIII. Wares of stone and mineral materials, pottery, glass and glassware	602,532
XIV. Precious metals, pearls, precious stones and coins ...	607,865
XV. Common metals and manufactures thereof	2,793,931
XVI. Machinery and apparatus and electric material ...	1,804,736
XVII. Means of transport	937,113
XVIII. Scientific and precision instruments and apparatus, horological wares and musical instruments	374,712
XIX. Arms and ammunition	37,911
XX. Miscellaneous goods and products	295,686
XXI. Works of art and articles for collections	23,470
Total of Imports	<u>32,309,471</u>

APPENDIX III

VALUE OF IMPORTS FROM PRINCIPAL COUNTRIES.

Country.						1929 £E.	1930 £E.
United Kingdom	.....	...	...	...	...	11,913,569	9,676,767
Australia	...	...	...	...	...	2,196,517	1,253,863
British India (including Aden)	...	...	...	...	...	1,686,324	1,377,055
Other British Possessions in Far East (a)	...	...	...	...	...	764,153	641,439
Mesopotamia (b)	...	...	...	...	...	173,661	47,366
Palestine (b)	...	...	...	...	...	1,012,214	663,295
British Mediterranean Possessions (c)	...	...	...	...	...	239,570	273,857
British Possessions in Africa (d)	...	...	...	...	...	152,943	84,238
Canada	...	...	...	...	...	158,882	70,804
British Empire Total						18,297,833	14,088,684
Austria	...	...	...	...	...	671,866	599,439
Belgium	...	...	...	...	...	2,358,599	1,850,544
Chile	...	...	...	...	...	1,748,476	1,517,044
Czecho-Slovakia	...	...	...	...	...	1,382,865	1,582,279
France	...	...	...	...	...	5,540,447	4,478,112
Germany	...	...	...	...	...	4,098,100	3,743,217
Greece	...	...	...	...	...	1,032,344	926,544
Holland	...	...	...	...	...	626,699	554,764
Italy	...	...	...	...	...	5,498,485	4,318,955
Japan	...	...	...	...	...	1,819,671	1,732,077
Roumania	...	...	...	...	...	1,818,161	1,817,093
Russia	...	...	...	...	...	1,002,751	912,419
Sweden	...	...	...	...	...	776,869	549,845
Switzerland	...	...	...	...	...	692,426	573,234
Syria	...	...	...	...	...	688,283	878,937
Turkey	...	...	...	...	...	1,087,113	978,197
United States	...	...	...	...	...	2,795,965	2,209,923
Total including other countries						56,274,912	47,488,328

(a) Including Ceylon, Straits Settlements, Hong-Kong and British Borneo.

(b) Mandated Territories.

(c) Including Malta, Cyprus and Gibraltar.

(d) Including Union of South Africa, British East and West Africa.

APPENDIX IV

MONTHLY STATISTICS OF EGYPTIAN IMPORTS.

Month			1929	1930
			£E. ('000)	£E. ('000)
January	...	...	4,784	6,451
February	...	...	4,227	9,424
March	...	...	4,268	2,396
April	...	...	4,941	2,706
May	...	...	4,291	2,809
June	...	...	4,017	3,072
July	...	...	4,374	3,048
August	...	...	4,625	3,396
September	...	...	4,824	3,819
October	...	...	5,380	3,852
November	...	...	5,416	3,365
December	...	...	5,112	3,378

APPENDIX V

The following percentage figures of the United Kingdom's share of the import trade of Egypt in 1913 and from the year 1922 to the close of 1930 are illuminating :—

Year	Percentage
1913	30.5
1922	34
1923	32.6
1924	27.6
1925	25.2
1926 (Coal Strike year)	21.8
1927	25.6
1928	21.8
1929	21.2
1930	20.3

APPENDIX VI

**APPROXIMATE PERCENTAGES OF TOTAL VALUES OF IMPORTS INTO EGYPT FROM
PRINCIPAL SUPPLYING COUNTRIES—1913 and 1926-1930.**

Articles and Countries	1913	1926	1927	1928	1929	1930
<i>Cotton Piece Goods.</i>						
United Kingdom	81.8	57.3	54.8	47.2	45.6	42.8
France	0.1	2.7	2.1	3.3	2.2	2.3
Italy	13.0	24.1	24.3	22.7	22.7	25.9
Japan	—	7.3	11.2	17.0	17.4	18.1
Belgium	—	4.2	2.8	2.5	2.8	2.3
Switzerland	—	0.5	0.6	0.6	0.9	0.8
Germany	1.6	0.5	0.5	0.5	0.8	1.1
Netherlands	—	0.6	0.6	1.4	1.0	0.9
<i>Cotton Hosiery.</i>						
United Kingdom	—	1.8	1.4	1.4	1.3	1.6
Germany	—	32.2	28.1	21.2	23.4	19.0
Belgium	—	0.2	0.4	0.2	0.3	0.2
Japan	—	18.0	20.8	21.5	22.4	24.0
Italy	—	12.9	15.4	16.8	14.6	12.5
France	—	11.2	11.6	12.7	11.3	10.4
<i>Pure Woollen and Worsted Cloths.</i>						
United Kingdom	35.1	48.6	53.1	46.9	47.3	46.3
France	16.9	16.8	21.0	21.3	18.9	26.6
Italy	4.3	7.4	5.3	8.6	9.1	8.0
Austria-Hungary	26.5	4.1	3.9	3.2	2.1	1.5
<i>Woollen ready-made Clothing.</i>						
United Kingdom	—	16.4	18.4	20.0	22.7	30.2
France	—	50.8	43.7	40.9	36.1	29.1
Czecho-Slovakia	—	19.5	28.2	29.5	21.8	16.3
Austria-Hungary	—	2.3	1.9	1.9	—	2.3
United States	—	5.5	1.9	2.9	12.6	12.8
<i>Wheat Flour. (1)</i>						
United Kingdom	9.7	4.0	3.6	2.6	1.6	0.6
Australia (2)	14.1	58.6	69.5	67.7	63.2	51.6
British India	10.4	4.9	2.9	2.4	0.3	1.0
France	31.4	7.7	0.6	1.4	4.2	22.5
Italy	3.0	0.4	—	1.2	10.4	8.9
Russia	5.5	—	0.6	1.7	—	—
United States	4.5	20.4	21.5	22.5	17.0	10.1
Roumania	13.9	2.8	0.6	—	0.2	0.9
<i>Household Soap.</i>						
United Kingdom	8.9	22.2	21.7	22.7	24.3	17.9
France	5.1	14.4	13.8	12.9	13.4	9.4
Turkey	84.1	—	—	0.3	0.1	0.1
Palestine	—	45.6	51.4	51.6	48.8	60.5

(1) Includes Maize Flour in 1913.

(2) Australia and New Zealand in 1913.

APPENDIX VI (continued)

Articles and Countries.	1913	1926	1927	1928	1929	1930
<i>Medicinal Preparations and Specialities.</i>						
United Kingdom	22.5	24.8	25.3	24.0	23.3	22.2
France	36.7	41.8	36.8	37.6	38.1	37.0
Germany	18.3	15.8	19.9	19.7	19.3	22.8
<i>Boots and Shoes—Leather.</i>						
United Kingdom	51.3	27.8	26.0	25.1	29.8	25.6
Czecho-Slovakia	—	8.5	22.6	23.5	22.3	25.4
Switzerland	9.5	10.7	7.7	6.1	5.0	4.7
France	7.2	21.8	17.8	14.6	13.8	10.0
Germany	5.0	9.0	7.7	6.9	10.9	13.2
Italy	—	14.1	11.1	8.1	10.1	11.1
<i>Silk Cloths.</i>						
France	46.1	65.3	64.3	60.5	53.3	40.7
Italy	15.2	4.0	4.4	3.6	3.4	4.4
Japan	5.3	14.1	17.6	23.7	29.9	40.8
China	30.5	11.1	8.5	7.5	7.2	6.3
<i>Cotton Yarns</i>						
United Kingdom	36.9	18.1	10.6	7.6	3.9	4.2
British India	21.4	47.5	51.2	48.0	52.4	70.6
Italy	35.2	28.3	32.4	40.7	38.4	21.0
<i>Coal.</i>						
United Kingdom	89.1	54.5	89.6	95.0	95.3	92.9
Germany	2.8	14.9	4.1	1.8	0.2	0.8
United States	7.9	23.0	4.6	1.9	2.0	2.0
<i>Cement.</i>						
United Kingdom	28.7	7.0	11.0	19.8	28.5	39.5
Belgium	38.9	27.7	33.5	28.5	20.2	14.4
France	12.0	6.7	6.4	7.4	8.4	6.8
Germany	1.8	12.1	10.8	5.2	6.2	2.5
Austria-Hungary	15.8	—	—	—	—	—
Yugoslavia... ..	—	41.9	33.5	32.8	28.5	30.9
<i>Tea.</i>						
British India	45.4	25.0	30.6	27.9	27.6	34.3
China	16.7	13.0	7.6	4.5	4.3	3.3
Ceylon	—	55.7	54.8	57.3	57.6	55.0
<i>Paper and Printed Matter.</i>						
United Kingdom	16.9	13.6	15.0	12.5	10.7	16.2
France	12.6	15.4	19.2	15.6	17.8	12.5
Germany	12.1	21.7	21.4	22.0	19.2	16.7
Italy	11.9	14.0	12.3	13.1	11.8	8.9
Austria-Hungary	32.0	16.7	14.2	14.5	14.1	13.6

APPENDIX VI (continued)

Articles and Countries.	1913	1926	1927	1928	1929	1930
<i>Dyestuffs, Tanstuffs and Colours.</i>						
United Kingdom	15.1	19.4	20.5	19.4	23.6	28.8
Germany	38.1	19.8	21.1	24.8	20.6	14.4
Belgium	8.7	14.5	13.8	12.4	13.3	12.3
France	13.5	17.4	18.4	15.0	13.1	11.8
<i>Fertilisers.</i>						
United Kingdom	0.3	1.3	1.0	0.6	1.4	2.2
Belgium	51.7	4.1	0.7	0.4	0.3	—
Chile	42.9	78.1	75.4	77.5	68.6	62.7
Germany	1.2	5.1	11.2	16.4	22.4	24.0
France	—	0.3	0.6	1.5	1.5	1.4
Norway	—	7.3	4.5	—	0.3	5.7
Holland	0.5	2.8	4.4	1.6	0.7	1.2
<i>Wooden Furniture.</i>						
United Kingdom	23.7	7.7	8.6	7.4	15.3	7.9
France	25.4	48.5	60.4	53.7	36.4	31.1
Austria-Hungary	32.2	14.2	9.0	13.8	13.6	20.7
Italy	5.9	12.1	9.0	7.8	13.2	9.2
<i>Rail Locomotives (including Road Rollers).</i>						
United Kingdom	1.8	65.5	70.4	99.8	3.8	94.3
Italy	—	—	—	—	87.8	—
Germany	92.7	24.6	1.6	0.2	2.9	4.8
<i>Sewing Cotton (1)a.</i>						
United Kingdom	58.1	67.7	68.0	62.3	59.6	55.0
Belgium	6.7	13.3	16.2	16.4	16.6	18.8
France	—	9.7	9.6	9.0	9.6	11.4
Italy	0.4	6.8	3.5	8.2	8.5	11.9
Austria-Hungary	32.4	—	—	—	—	—
<i>Cast Iron Pipes and Fittings.</i>						
United Kingdom	61.4	23.2	52.8	23.1	9.7	42.7
Belgium	1.7	5.8	8.1	12.0	25.4	18.0
Germany	3.5	3.7	6.8	7.7	8.2	14.0
France	31.6	67.4	32.3	56.4	56.7	25.3
<i>Iron Railway Trucks, Wagons and Carriages (1)b.</i>						
United Kingdom	2.1	40.5	80.0	32.7	65.2	51.1
Austria-Hungary	44.7	—	—	—	—	—
Belgium	42.6	2.4	11.2	18.4	34.1	7.5

(1)a. In 1913 this article was mentioned under the heading "Sewing Cotton on Bobbins."

(1)b. Mentioned in 1913 in value only and in 1930 in Kilos.

APPENDIX VI (continued)

Articles and Countries.	1913	1926	1927	1928	1929	1930
<i>Motor Cars complete (1).</i>						
United Kingdom	33.3	8.2	8.4	8.1	8.7	9.4
France	47.8	22.5	17.8	12.4	10.7	11.8
Italy	1.4	29.9	26.8	10.8	15.4	17.9
United States	2.9	35.1	44.2	65.5	58.6	59.2
<i>Motor Buses, Trucks and Lorries (2).</i>						
United Kingdom	—	—	13.1	18.5	15.3	12.6
France	—	—	25.2	11.8	19.7	23.6
United States	—	—	57.0	62.2	53.0	56.7
<i>Iron or Steel Rails and Fittings (including Sleepers).</i>						
United Kingdom	57.3	67.3	44.0	88.7	52.9	48.4
Belgium	31.9	2.0	15.9	3.6	4.8	6.4
France	—	1.0	29.5	2.7	24.8	4.8
Germany	10.8	0.3	10.6	5.0	5.1	32.2
<i>Motor Cycles.</i>						
United Kingdom	42.9	72.7	85.0	81.0	81.2	93.8
France	14.3	9.1	5.0	4.8	3.1	1.9
United States	—	18.2	5.0	9.5	6.3	6.2
<i>Bicycles and other Cycles complete.</i>						
United Kingdom	66.7	25.0	22.2	37.5	28.6	25.0
France	16.7	58.3	55.6	62.5	71.4	50.0
<i>Iron or Steel Works, constructed or Partly Constructed.</i>						
United Kingdom	29.9	57.3	31.2	55.7	44.8	69.6
Belgium	46.0	13.3	22.7	16.2	18.1	5.1
France	18.4	12.0	5.7	14.2	12.9	5.5
Germany	1.1	5.3	18.4	8.1	9.0	6.4
<i>Internal Combustion Engines.</i>						
United Kingdom	41.8	50.7	50.7	63.0	54.2	47.1
Germany	20.5	27.0	18.7	15.2	19.0	26.3
Austria-Hungary	—	2.6	8.3	2.2	6.5	1.8
Italy	15.0	2.8	1.4	2.0	1.5	1.3
Switzerland	19.9	12.9	17.3	15.5	15.8	19.3
<i>Hand-Pumps (3).</i>						
United Kingdom	—	6.7	12.5	2.3	5.9	—
Austria-Hungary	—	20.0	12.5	15.4	5.9	—
France	—	6.7	6.3	3.1	2.9	—
Germany	—	60.0	62.5	61.7	76.5	—
United States	—	13.3	12.5	23.0	5.9	—

(1) The figures for 1913 and 1926 refer to Motor Cars of all descriptions.

(2) Included in 1913 and 1926 with "Motor Cars Complete."

(3) Included in 1913 with "Other Agricultural Machinery and Implements and Parts thereof" and included in 1930 with Internal Combustion Engines.

APPENDIX VI (continued)

Articles and Countries.	1913	1926	1927	1928	1929	1930
<i>Pumps, Power (1).</i>						
United Kingdom	—	45.3	54.3	61.3	55.4	—
Austria-Hungary	—	4.7	4.3	0.9	0.4	—
France	—	22.6	10.9	7.1	19.6	—
Germany	—	14.2	13.0	10.0	9.8	—
Switzerland	—	7.5	13.0	10.0	7.6	—
United States	—	2.8	2.2	5.7	2.2	—
<i>Threshing Machines (1).</i>						
United Kingdom	—	75.0	75.0	66.6	90.9	—
Germany	—	25.0	25.0	22.2	—	—
<i>Tractors (1a).</i>						
United Kingdom	—	2.0	0.5	0.4	29.6	14.3
United States	—	96.0	89.3	89.3	59.3	76.3
<i>Other Agricultural Machinery & Implements & Parts thereof.</i>						
United Kingdom	73.7	28.0	27.3	29.4	25.0	41.7
France	4.5	8.0	9.1	5.9	2.3	5.5
Germany	18.0	4.0	9.1	5.9	4.6	13.9
United States	2.3	56.0	54.5	52.9	63.6	38.9
<i>Scientific and Surgical In- struments (2).</i>						
United Kingdom	32.3	46.7	49.3	40.8	44.0	35.8
France	22.6	18.4	17.3	17.8	15.1	15.7
Germany	33.9	25.7	24.7	30.6	26.7	36.6
United States	3.2	3.3	4.7	4.1	8.0	4.5

(1) Included in 1913 with "Other Agricultural Machinery and Implements and parts thereof" and included in 1930 with Internal Combustion Engines.

(1a) Included with "Other Agricultural Machinery and Implements and parts thereof" in 1913.

(2) Including Gramophones and Phonographs in 1913.

APPENDIX VII

COTTON PIECE GOODS.

QUANTITY OF COTTON PIECE GOODS IMPORTED IN 1928 AND 1929 DUTIABLE ON WEIGHT PER SQUARE METRE.*

From	Year	Grey	Bleached	Printed	Dyed in the Yarn	Dyed in the Piece	Total
		sq. metres	sq. metres	sq. metres	sq. metres	sq. metres	sq. metres
United Kingdom	1929	30,128,953	48,116,116	18,440,596	2,581,269	17,128,161	116,395,095
	1928	27,360,007	43,655,827	21,323,557	3,463,222	15,759,976	111,567,589
Belgium	1929	—	447,010	278,778	2,987,027	744,132	4,456,947
	1928	10,791	535,409	111,720	2,628,873	484,773	3,771,566
France	1929	46,961	175,702	2,844,454	274,214	386,091	3,727,422
	1928	23,821	137,219	3,647,101	308,111	877,645	4,993,897
Italy	1929	731,629	3,083,804	7,596,275	16,550,421	11,753,742	39,715,871
	1928	364,024	1,881,776	7,957,104	15,556,424	9,794,744	35,554,072
Japan	1929	20,171,382	87,322	10,958	21,113,934	823,282	42,206,978
	1928	15,628,057	84,976	25,795	19,672,574	190,323	35,601,725
Czecho-Slovakia	1929	1,167,911	63,608	3,422,571	329,140	142,000	5,125,290
	1928	15,400	34,264	1,852,324	72,539	27,579	2,002,106
Holland	1929	260,359	764,187	250,446	331,485	501,300	2,107,777
	1928	263,036	521,711	613,880	571,159	442,504	2,412,290
TOTAL (including other countries)	1929	53,156,674	52,987,750	37,128,101	44,382,548	34,091,696	221,746,769
	1928	44,796,448	46,946,460	38,264,532	42,480,617	29,432,331	201,920,388

* N.B.—See Appendix ix. for 1930. NOTE.—This table does not include Cotton Piece Goods returned by weight and linear metres, the Imports of which in 1928 and 1929 were as follow :—

	1928		1929	
	Kilogs	Kilogs	Lin. metres	Lin. metres
Cotton Piece Goods returned by weight (total imports)...	996,243	1,007,940	2,266,722	2,457,384
Of which from the United Kingdom ...	544,245	640,616	1,358,560	1,272,411

APPENDIX VIII

COTTON PIECE GOODS.

VALUE OF COTTON PIECE GOODS IMPORTED IN 1928 AND 1929, DUTIABLE ON BASIS OF WEIGHT PER SQ. METRE.*

From	Year	Grey	Bleached	Printed	Dyed in the Yarn	Dyed in the Piece	Total
United Kingdom	1929	£E. 399,814	£E. 1,114,414	£E. 667,045	£E. 91,387	£E. 674,159	£E. 2,946,819
	1928	365,016	1,015,259	828,335	132,340	646,162	2,987,112
Belgium ...	1929	—	15,747	12,215	116,068	39,801	183,831
	1928	271	20,647	5,360	110,435	27,108	163,821
France ...	1929	1,282	5,131	105,467	9,580	12,424	133,884
	1928	1,092	3,799	150,669	12,385	35,678	203,623
Italy ...	1929	15,381	103,666	277,912	616,646	487,569	1,501,174
	1928	7,965	66,629	315,877	630,325	438,711	1,459,507
Japan ...	1929	454,273	3,031	396	711,434	27,649	1,196,783
	1928	369,850	2,616	1,082	735,490	7,108	1,116,146
Czecho-Slovakia	1929	24,374	2,143	141,665	12,033	8,138	188,353
	1928	346	1,070	86,620	2,971	1,606	92,613
Holland ...	1929	4,485	22,588	10,505	14,214	16,251	68,043
	1928	4,620	15,677	29,211	24,466	10,631	84,605
Total (including other countries)	1929	914,059	1,271,830	1,373,386	1,579,352	1,342,047	6,480,674
	1928	775,090	1,128,070	1,533,292	1,656,952	1,229,814	6,323,218

* N.B.—See separate table for 1930. NOTE.—This table does not include Cotton Piece Goods returned by weight and linear metres, the imports of which in 1928 and 1929 were as follow :—

	1928	1929
Cotton Piece Goods returned by weight (total imports) ...	£E. 161,564	£E. 139,247
Of which from the United Kingdom ...	77,936	80,192
Cotton Piece Goods returned by linear metre (total imports) ...	£E. 77,667	£E. 91,085
Of which from the United Kingdom ...	32,361	32,684

APPENDIX IX

IMPORTS OF COTTON PIECE GOODS FOR 1930.

<i>From 17th February to end of December, 1930.</i>	United Kingdom	Italy	Japan	Total
Cotton piece goods, un-bleached	K.N. 1,084,525 £E. 165,927	K.N. 4,612 £E. 501	K.N. 3,196,217 £E. 285,260	K.N. 4,395,602 £E. 466,228
Cotton piece goods, bleached	K.N. 2,896,656 £E. 568,600	K.N. 302,603 £E. 52,497	K.N. 86,281 £E. 10,521	3,419,960 658,905
Cotton piece goods, dyed	K.N. 1,130,831 £E. 323,108	K.N. 2,495,478 £E. 520,064	K.N. 2,219,876 £E. 286,602	6,378,445 1,274,186
Cotton piece goods, printed	K.N. 1,308,182 £E. 325,004	K.N. 444,776 £E. 121,122	— —	2,658,404 676,881
<i>From 1st January to 16th February, 1930.</i>				
Cotton piece goods, Grey, bleached, printed, dyed in the yarn, dyed in the piece*	K.N. 3,690,130 £E. 868,299	K.N. 2,196,473 £E. 536,956	K.N. 2,087,690 £E. 344,425	9,010,585 2,026,357
				25,862,996 5,102,557

NOTE.—Total Imports for 1929, £E. 6,480,674.

Total Imports for 1930, £E. 5,102,557.

Under the old classification of the Tariff, imports of cotton piece goods during January and the first 16 days of February, 1930, amounted to :—

Grey	...	...	...	...	K.N. 1,700,636 £E. 234,611
Bleached	...	...	...	...	" 1,785,769 " 362,484
Printed	...	...	...	...	" 1,450,911 " 429,055
Dyed in the piece	...	...	...	...	" 1,727,655 " 497,151
" " yarn	...	...	...	...	" 2,345,614 " 503,056
					K.N. 9,010,585 £E. 2,026,357

APPENDIX IX (*contd.*).

The undermentioned countries, included in the totals, competed mainly in the following Categories :—

<i>Japan.</i>	Cotton piece goods, un-bleached ...	£E. 285,260
	" " dyed ...	286,602
		£E. 571,862
<i>United States of America.</i>	Cotton piece goods, dyed ...	" 27,855
<i>Czecho-Slovakia.</i>	Cotton piece goods, dyed ...	£E. 15,272
	" " printed ...	59,084
		" 74,356

* NOTE.—These figures do not include cotton piece goods unspecified returned by weight or cotton piece goods returned by linear metres, the imports of which for the period 1st. Jan. to 16th. Feb., 1930 were as follows :—

	1st. Jan. to 16th. Feb. 1930		1st Jan. to 16th. Feb. 1930	
	Kilogs	£E.	Cotton Piece Goods returned by linear metres	Linear Metres
Cotton Piece Goods unspecified returned by weight				£E.
Total Imports ...	244,901	30,296	Total Imports ...	793,959
Of which from the United Kingdom ...	135,996	14,740	Of which from the United Kingdom ...	428,160
				11,536

APPENDIX X

IMPORTS OF MIXED SILK AND COTTON GOODS IN 1928 and 1929.*

From	Year	Less than 50% Artificial Silk			Total	50% or more Artificial Silk.			Total	GRAND TOTAL
		White	Dyed	Printed		White	Dyed	Printed		
United Kingdom	1929	l.m. 2,501,817	l.m. 116,374	l.m. 127,282	l.m. 2,745,473	l.m. 273,793	l.m. 43,705	l.m. 69,874	l.m. 387,372	l.m. 3,132,845
France	1928	2,908,495	202,257	284,241	3,394,993	229,377	15,014	101,121	345,512	3,740,505
...	1929	255,564	142,884	21,026	419,474	519,666	36,573	17,712	573,951	993,425
Belgium	1928	270,169	96,450	91,946	458,565	510,510	93,996	49,851	654,357	1,112,922
...	1929	59,594	722,749	—	782,253	48,021	22,756	3,542	74,319	856,572
Austria	1928	98,812	1,108,535	—	1,207,347	78,264	52,554	—	130,818	1,338,165
...	1929	74,323	66,369	3,381	144,073	220,804	5,224	1,672	227,700	371,773
Italy	1928	54,563	34,355	—	88,918	262,876	5,648	479	269,003	357,921
...	1929	10,435,922	4,349,772	310,195	15,095,889	793,850	51,998	34,231	880,079	15,075,968
Switzerland	1928	14,029,331	3,877,153	139,071	18,045,555	524,376	30,604	6,917	561,897	18,607,452
...	1929	226,902	650,896	472	878,270	66,107	7,673	5,178	78,958	957,228
Total (including other countries)	1928	312,353	399,353	332	712,038	47,579	11,352	2,855	61,786	773,824
	1929	13,784,590	6,118,565	532,651	20,435,806	2,065,343	184,681	233,395	2,483,419	22,919,225
	1928	17,713,294	5,823,059	588,634	24,124,987	1,688,154	214,628	192,175	2,094,957	26,219,944

NOTE :—l.m. stands for Linear metres.

* See Appendix XI for 1930.

APPENDIX XI

IMPORTS OF COTTON PIECE GOODS MIXED WITH ARTIFICIAL SILK, ETC.

From 1st January to 16th February, 1930.

	Less than 50% artificial silk.		50% or more artificial silk.	
	Lin. m.	£E.	Lin. m.	£E.
United Kingdom ...	908,587	40,156	171,116	13,776
France	56,781	2,638	179,311	20,563
Italy	5,999,367	177,788	426,103	34,874
Other Countries...	860,323	38,864	299,005	21,974
Total	7,825,058	259,446	1,075,535	91,187

From 17th February to end December, 1930.

	Over 15% Natural and artificial silk.			Less than 15% Natural and artificial silk.		
	K.N.	Lin. m.	£E.	K.N.	Lin. m.	£E.
United Kingdom	71,996	464,127	66,415	—	16,949	384
France	15,481	127,034	30,218	668	10,193	700
Italy	424,416	3,362,041	299,489	100,450	1,188,680	54,316
Other Countries...	86,224	304,512	76,853	9,694	163,923	8,908
Total	598,117	4,257,714	472,975	110,812	1,379,645	64,308

Cotton piece goods, mixed with metallic threads, etc., including remnants :

United Kingdom	£E.	41,154
United States of America	"	20,484
Other Countries	"	7,358
Various Countries	"	20,819
Total	£E.	89,815

APPENDIX XII

COTTON YARN, MANUFACTURED COTTONS, ETC.

	United Kingdom	Italy	Other Countries	Total
<i>From 1st January to 16th February, 1930.</i>				
Cotton yarn, grey, bleached and dyed ...	K.N. 16,791 £E. 4,273	120,337 16,867	414,253 43,588	K.N. 551,381 £E. 64,728
<i>From 17th February to end of December, 1930.</i>				
Cotton yarn, un-bleached ...	K.N. 635 £E. 68	43,245 2,439	1,036,850 82,053	1,080,730 84,560
Cotton yarn, bleached ...	K.N. 1,652 £E. 172	5,026 332	91,540 9,008	98,218 9,512
Cotton yarn, dyed ...	K.N. 7,881 £E. 1,054	22,037 2,132	1,615 280	31,533 3,466
Cotton yarn, <i>glazed</i> —un-bleached, bleached and dyed ...	K.N. 225 £E. 56	— —	— —	225 56
Cotton yarn, <i>folded</i> —un-bleached, bleached and dyed ...	K.N. 35,321 £E. 7,223	333,982 46,040	243,346 27,670	612,649 80,933
Cotton yarn, <i>glazed</i> —un-bleached, bleached and dyed ...	K.N. 116,477 £E. 116,477	32,280	4,885 94,589	— 248,501
Manufactured cottons, not including velvets and plushes ...			Total	2,374,736 491,756

The following countries, included in the above totals, competed in cotton yarn :—

Japan. K.N. 75,224. £E. 9,849. British India. K.N. 1,490,913. £E. 130,901.

Cotton yarn, *manufactured cottons, etc.*

Medical Gauze.

United Kingdom	...	...	...	K.N.	£E.
Total	...	...	...	44,489	10,074
	...	...	...	54,552	13,123

APPENDIX XIII

IMPORTS OF LEATHER, 1929

Country	"Light Leather."	"Heavy Leather" Bullock, Horse & Camel, including Saddlery & Harness.	Total
United Kingdom ...	£E. 4,813	£E. 17,781	£E. 22,594
Czecho-Slovakia ...	12,291	678	12,969
Germany ...	24,436	759	25,195
United States ...	45,694	1,168	46,862
France ...	38,489	4,182	42,671
Syria ...	13,124	27	13,151
Other countries ...	35,053	4,098	39,151
Total ...	173,900	28,693	202,593

IMPORTS OF LEATHER, 1930

Country	Skins, hides, parchment or vellum.	Leather ornamented, imitation or artificial,	Leather varnished or lacquered.	Leather dyed or Morocco.	Waste and cuttings. Straps, soles, heels and welts. Parts for shoes, boots, gaiters.	Old tariff classification, i.e., Total imports for January and first 16 days of February 1930	Total
	£E.	£E.	£E.	£E.	£E.	£E.	£E.
Various Countries ...	30,560	4,472	—	—	3,147	—	38,179
United Kingdom ...	—	—	1,479	818	—	3,080	5,377
France ...	—	—	10,646	2,585	—	11,549	24,780
Germany ...	—	—	14,281	2,901	—	8,395	25,577
United States of America ...	—	—	14,419	14,098	—	16,266	44,783
Other countries ...	—	—	11,689	2,687	—	12,539	26,915
Totals ...	30,560	4,472	52,514	23,089	3,147	51,829	165,611

APPENDIX XIV

IMPORTS OF COAL TAR DYES, 1920, 1929, 1930.

				Kilos.	Total Kilos.	£E.	Total £E.
1920							
United Kingdom	...	...	...	23,069		17,439	
British India	...	...	...	6		3	
Austria	...	...	...	104		81	
Belgium	...	...	...	470		438	
Czecho-Slovakia	...	...	...	126		117	
France	...	...	...	438		328	
Germany	...	...	...	16,765		15,451	
Italy	...	...	...	279		249	
Japan	...	...	...	40		20	
Switzerland	...	...	...	6,664		7,149	
Syria	...	...	...	21		30	
United States	...	...	...	4,537		5,050	
					52,519		46,355
1929.							
Germany	...	...	...	88,968		20,355	
Switzerland	...	...	...	35,374		6,517	
Other Countries	...	...	...	52,582		5,696	
					176,924		32,568
1930.							
Germany	...	...	...	173,859		30,414	
Switzerland	...	...	...	33,017		5,164	
United Kingdom	...	...	...	104,141		17,625	
Other Countries	...	...	...	49,221		7,463	
					360,238		60,666

APPENDIX XV

IMPORTS OF IRON GOODS—1930

	Bars, Iron or Steel; Angles and Tees; Girders and Joists.	Rails, Fish Plates, Sleepers.	Sheets, Iron or Steel: 1 Common, 2 Coated, 3 Cut, 4 Perforated, 5 Decorated.	Hoops, Strips.	Steel, Special, including Axles, Wheels, Springs and Tool Steel.	Iron or Steel works constructed or partly constructed.	Cast Iron or Steel Pipes and Fittings including galvanized.	Screws, Bolts, Nuts, Rivets and Nails.	TOTAL.
United Kingdom	£E. 16,691	£E. 140,189	£E. 246,918	£E. 38,426	£E. 14,553	£E. 151,227	£E. 134,404	£E. 17,413	£E. 759,821
Belgium	296,074	19,429	115,235	17,323	2,175	10,939	36,417	45,745	543,337
France	67,610	13,866	22,057	—	2,406	12,232	46,565	5,990	170,726
Germany	57,602	99,859	35,651	20,567	2,434	14,441	81,736	24,996	337,286
Other Countries...	982	20,169	81,837	6,082	7,081	28,053	57,921	23,904	226,029
TOTAL	438,959	293,512	501,698	82,398	28,649	216,892	357,043	118,048	2,037,199

APPENDIX XVI

IMPORTS OF MACHINE BELTING FOR 1930 AND COMPARATIVE FIGURES FOR 1929.

				Machine Belting.		Total	Gin Leather
				Leather	Woven		
United Kingdom	...	...	1930	£E. 4,547	£E. 23,548	£E. 28,095	£E. 33,886
			1929	5,279	35,462	40,741	37,101
Germany	...	...	1930	2,939	15,212	18,151	—
			1929	2,802	14,007	16,809	—
France	...	...	1930	3,832	154	3,986	—
			1929	6,739	4,768	11,507	—
Other Countries	...	...	1930	5,443	12,908	18,351	9
			1929	6,593	7,962	14,555	—
Total	...	...	1930	16,761	51,822	68,583	33,895
			1929	21,413	62,199	83,612	37,101

APPENDIX XVII

IMPORTS OF FOOTWEAR INTO EGYPT 1930.
(With comparative figures for 1929).

	United Kingdom	Czecho-Slovakia	Germany	France	Other Countries	Total
<i>From 1st January to 16th February 1930.</i>	£E.	£E.	£E.	£E.	£E.	£E.
Boots and shoes wholly or mainly made of leather	13,988	15,011	10,137	7,364	19,200	65,700
Boots and Shoes, leather soled, wholly or mainly made of textile materials	3,968	2,719	8,615	729	762	16,793
Other kinds of boots and shoes including rubber soled with textile uppers	6,979	*	157	6,092	3,718	16,946
<i>From 1st February to 31st December 1930.</i>	.	.	.	.	.	.
Top boots, leather ...	348	*	*	*	49,019	179,127
Leather footwear... ..	30,808	31,585	10,810	9,879		
Footwear, not specified leather	1,529	1,585	1,420	*		
Leather footwear for children	1,149	*	627	*		
Fancy footwear, leather soled	251	6,138	5,339	2,966		
Footwear fabric, rubber soled	4,139	4,193	1,531	9,132		
Rubber footwear... ..	*	289	*	*		
Fabric footwear, leather soled	1,066	1,517	1,998	909	73,599	278,566
Slippers and footwear not specified	*	*	*	*		
	64,225	63,037	40,634	37,071	73,599	278,566
Total Imports for 1929	91,250	70,291	45,217	57,050	73,871	337,679
Total Imports for 1930	64,225	63,037	40,634	37,071	73,599	278,566

* Not shown.

APPENDIX XVIII

IMPORTS OF SOLID TYRES, PNEUMATIC TYRES AND INNER TUBES FOR MOTOR CARS, MOTOR CYCLES, LORRIES AND CYCLES, 1930.

Country.	Solid Tyres for Motor Cars and Lorries.	Pneumatic Casings.	Pneumatic Tubes.	Totals
	£E.	£E.	£E.	£E.
United Kingdom ...	1,537	42,610	2,314	46,461
United States ...	1,797	59,423	10,831	72,051
France ...	1,392	17,236	6,368	24,996
Italy ...	1,038	24,530	2,534	28,102
Other Countries ...	1,369	32,502	11,007	44,878
Total ...	7,133	176,301	33,054	216,488

COMPARATIVE FIGURES FOR 1930 AND 1929.

	United Kingdom	United States	France	Total
	£E.	£E.	£E.	£E.
1930 ...	46,461	72,051	24,996	216,488
1929 ...	39,602	84,601	23,905	243,742

APPROXIMATE IMPORTS OF RUBBER GOODS including Tyres and Tubes.

	1930 £E.	1929 £E.
United Kingdom ...	48,772	34,700
Total ...	278,205	301,386

APPENDIX XIX

IMPORTS OF ELECTRICAL MACHINERY, APPARATUS AND PARTS, 1930.

	£E.
United Kingdom ...	197,853
Germany ...	131,482
France ...	86,519
Belgium ...	54,243
Holland ...	47,660
United States ...	33,512
Other Countries ...	135,898
Total ...	687,167

APPENDIX XX

MOTOR VEHICLES.

IMPORTS OF COMPLETE MOTOR CARS, MOTOR CYCLES, LORRIES AND BUSES.

	United Kingdom	France	Italy	United States	Other Countries	Total
	£E.	£E.	£E.	£E.	£E.	£E.
1930	83,050	94,357	98,851	399,310	18,989	694,557
1929	108,524	118,838	118,570	548,002	72,383	966,317

APPENDIX XXI

IMPORTS OF INTERNAL COMBUSTION ENGINES DURING 1929 AND 1930.

	1929	1930
	£E.	£E.
United Kingdom	251,000	181,000
Germany	88,000	101,000
Austria-Hungary	30,000	7,000
Italy	7,000	5,000
Switzerland	73,000	74,000
Other Countries... ..	13,000	16,000
Total	462,000	384,000

APPENDIX XXII

SUMMARY OF VALUE OF EXPORTS FROM EGYPT—BY CATEGORIES.

Categories.	Year 1929.
	£E.
I. Animal and animal food products	410,405
II. Hides, skins and leather goods	359,108
III. Other animal products	77,636
IV. Cereals, flour and agricultural produce	5,741,753
V. Colonial produce and general grocery	88,685
VI. Spirits, beverages and oils	947,000
VII. Paper and printed matter	93,542
VIII. Wood and coal	19,840
IX. Stone, earthenware and glassware	258,129
X. Dyestuffs, tanstuffs and colours	22 567
XI. Chemical and medicinal products and perfumery	238,898
XII. Yarns and Textiles (chiefly raw cotton)	41,661,377
XIII. Metals and metalware	1,417,009
XIV. Miscellaneous	64,129
Total of merchandise exported	51,400,078
XV. Cigarettes	351,916
Total of exports	51,751,994*

* The final corrected figure for total exports is £E.52,186,625.

APPENDIX XXIII

SUMMARY OF VALUE OF EXPORTS FROM EGYPT—BY CATEGORIES.

N.B.—Value of Exports from Egypt as from 17th February to 31st December 1930 only.

	Year 1930 £E.
I. Living animals and products of the animal kingdom...	310,856
II. Products of the vegetable kingdom	2,744,567
III. Animal and vegetable fatty substances, greases, oils and waxes and alimentary fats	372,899
IV. Food preparations and products, beverages, alcoholic liquids, vinegar and tobacco... ..	1,212,559
V. Mineral products	717,505
VI. Chemical and pharmaceutical products, colours, varnishes, perfumery, soap, candles, glue, gelatine, explosives and fertilisers	235,014
VII. Skins, hides, leather, furs and articles thereof ...	294,613
VIII. Rubber and manufactures thereof	207
IX. Wood, cork, articles thereof and articles made of plaiting materials	12,135
X. Paper and its applications	84,407
XI. Textile materials and textiles	19,005,688
XII. Footwear, head-gear, umbrellas, parasols and sticks, articles of fashion	5,058
XIII. Wares of stone and mineral materials, pottery, glass and glassware.	2,656
XIV. Precious metals, pearls, precious stones and coins ...	689,571
XV. Common metals and manufactures thereof	76,088
XVI. Machinery and apparatus and electric materials ...	189
XVII. Means of Transport	776
XVIII. Scientific and precision instruments and apparatus, horological wares and musical instruments ...	1,502
XIX. Arms and ammunitions... ..	—
XX. Miscellaneous goods and products	5,111
XXI. Works of art and articles for collections	22,277
Total of Exports	25,793,678

APPENDIX XXIV

VALUE OF EXPORTS TO PRINCIPAL COUNTRIES.

Country.	1929	1930
	£E.	£E.
United Kingdom	18,221,312	11,011,716
Australia	45,593	24,729
British India (including Aden)	1,086,861	1,085,019
Other British Possessions in Far East (a) ...	174,276	110,048
Mesopotamia (b)	13,279	8,873
Palestine (b)	334,293	318,105
British Mediterranean Possessions (c)	94,043	244,622
British Possessions in Africa (d)... ..	27,279	33,949
Canada	59,856	56,812
British Empire Total	20,056,792	12,893,873
Austria	287,932	223,905
Belgium	461,329	257,235
Czecho-Slovakia	814,931	507,995
France	6,430,976	4,599,099
Germany	3,034,354	2,507,746
Greece	551,847	264,959
Holland	288,258	176,128
Italy	3,512,493	1,966,408
Japan	1,785,658	941,863
Roumania... ..	200,521	94,343
Russia	2,215,257	1,704,776
Sweden	52,303	51,601
Switzerland	1,961,711	1,255,825
Syria	363,401	303,724
Turkey	145,849	42,511
United States	7,371,836	1,960,607
Spain	1,182,608	1,192,230
Total including other countries	52,186,625	31,941,592

(a) Including Ceylon, Straits Settlements, Hong-Kong and British Borneo.

(b) Mandated Territories.

(c) Including Malta, Cyprus and Gibraltar.

(d) Including Union of South Africa, British East and West Africa.

APPENDIX XXV

EXPORTS OF RAW COTTON, QUANTITY IN CANTARS.

One Egyptian cantar equals Kilogs 44.928.

Destination.	Year.	Sakel.	Ashmouni.	Pilon.	Other Varieties.	Total.
United Kingdom ...	1929	970,348	1,410,175	106,085	120,091	2,606,699
	1930	373,822	985,567	47,092	148,181	1,918,662
British India ...	1929	3,654	1,647	1,179	348	6,828
	1930	37,807	128,542	24,155	62,175	252,679
Austria ...	1929	5,396	46,098	446	255	52,195
	1930	9,479	30,969	—	4	40,452
Belgium ...	1929	3,692	50,367	476	2,511	57,046
	1930	1,592	55,742	253	1,374	58,961
Czecho-Slovakia ...	1929	30,577	110,549	6,943	1,730	149,799
	1930	27,306	88,672	3,808	3,718	123,504
France ...	1929	403,451	581,315	28,612	28,143	1,041,521
	1930	330,987	498,568	11,625	24,070	865,250
Germany ...	1929	47,605	318,426	105,270	16,268	487,569
	1930	68,320	403,797	73,722	31,912	577,751
Greece ...	1929	327	979	77	1,792	3,175
	1930	479	961	—	3,365	4,805
Holland ...	1929	2,107	3,991	334	—	6,432
	1930	1,117	3,113	406	152	4,788
Hungary ...	1929	3,337	6,560	789	—	10,686
	1930	2,205	5,514	—	—	7,719

APPENDIX XXV (continued)

Destination.	Year.	Sakel.	Ashmouni.	Pilion.	Other Varieties.	Total.
Italy	1929	176,230	341,140	6,859	12,240	536,469
	1930	110,320	297,150	2,231	10,232	419,933
Japan	1929	128,794	161,098	21,386	4,437	315,715
	1930	61,835	112,222	11,385	38,591	224,033
Poland	1929	26,117	34,230	4,010	1,773	66,130
	1930	16,502	30,224	2,497	9,043	58,266
Portugal	1929	4,270	2,931	150	8	7,359
	1930	4,857	6,373	112	804	12,146
Russia	1929	182,049	181,322	13,599	18,679	395,649
	1930	156,933	137,671	665	30,434	325,703
Spain	1929	56,130	133,079	14,296	5,114	208,619
	1930	59,030	222,780	13,376	5,749	300,935
Sweden	1929	—	4,372	147	104	4,623
	1930	410	3,613	1,164	—	5,187
Switzerland	1929	105,838	208,602	29,422	21,502	365,364
	1930	78,902	157,077	23,877	45,697	305,553
United States	1929	327,939	913,726	4,519	30,931	1,277,115
	1930	111,131	228,999	4,021	28,753	372,904
Others	1929	2,803	22,613	—	656	26,072
	1930	16,886	26,582	2,197	2,014	476,679
TOTALS	1929	2,480,664	4,533,220	344,599	266,582	7,625,065
	1930	1,819,468	3,438,588	22,586	446,268	5,926,910

APPENDIX XXVI

EXPORTS OF RAW COTTON—VALUE IN £E.

Destination.	Year.	Sakel.	Ashmouni.	Pilion.	Other varieties.	Total.
United Kingdom ...	1929	5,630,272	7,149,619	560,299	666,914	14,007,104
	1930	3,532,053	3,209,249	166,755	581,357	7,489,414
British India ...	1929	20,894	6,924	6,261	911	34,990
	1930	141,517	330,123	71,281	202,321	745,242
Austria ...	1929	31,921	238,645	2,580	1,155	274,301
	1930	51,447	112,507	—	16	163,970
Belgium ...	1929	21,833	262,308	2,515	14,443	301,099
	1930	8,110	178,751	905	5,899	193,665
Czecho-Slovakia ...	1929	177,828	585,812	39,475	9,943	813,058
	1930	141,839	334,185	16,001	15,575	507,600
France ...	1929	2,573,106	2,976,231	154,421	159,039	5,862,797
	1930	1,895,163	1,690,719	48,831	106,601	3,741,314
Germany ...	1929	284,174	1,656,664	560,065	89,534	2,590,437
	1930	360,929	1,419,222	282,009	110,727	2,172,887
Greece ...	1929	1,899	4,891	394	8,706	15,890
	1930	1,175	2,470	—	6,452	10,097
Holland ...	1929	12,433	19,199	1,590	—	33,222
	1930	5,669	10,851	1,673	676	18,869
Hungary ...	1929	18,971	34,424	4,308	—	57,703
	1930	10,897	19,150	—	—	30,047

APPENDIX XXVI (continued)

Destination.	Year.	Sakel.	Ashmouni.	Pilon.	Other varieties.	Total.
Italy	1929	1,047,077	1,756,920	37,737	68,738	2,910,472
	1930	598,004	1,004,729	8,045	39,061	1,649,839
Japan	1929	734,967	813,220	115,612	15,620	1,679,419
	1930	302,979	352,409	42,673	130,117	828,178
Poland	1929	157,992	184,641	22,404	11,378	376,415
	1930	98,925	114,007	13,690	36,632	263,254
Portugal	1929	25,585	15,497	739	41	41,862
	1930	23,824	22,258	290	3,240	49,612
Russia	1929	1,072,450	950,885	75,658	113,012	2,212,005
	1930	956,093	568,905	2,210	172,754	1,699,962
Spain	1929	331,284	679,669	76,761	25,037	1,112,751
	1930	308,818	750,219	55,234	22,108	1,136,379
Sweden	1929	—	20,539	824	180	21,543
	1930	2,113	11,205	4,449	—	17,767
Switzerland...	1929	616,153	1,049,178	159,955	123,757	1,949,043
	1930	414,182	541,801	102,122	185,742	1,243,847
United States	1929	1,887,840	4,837,139	22,751	184,401	6,932,131
	1930	601,113	915,943	13,405	149,557	1,680,018
Others	1929	16,763	114,642	—	3,393	134,798
	1930	6,374	129,443	5,793	4,903	146,513
Total	1929	14,663,442	23,357,047	1,844,349	1,496,202	41,361,040
	1930	9,461,224	11,718,146	835,366	1,773,738	23,788,474

APPENDIX XXVII

PRODUCTION OF ALL MINERALS AND METALS IN EGYPT DURING 1929 AND 1930.

Mineral or Metal.	Unit.	1929	1930
Phosphate Rock	Met. Tons	215,311	313,478
Petroleum	" "	272,114	285,088
Manganese Iron Ore	" "	191,477	121,211
Lead and Zinc Ores	" "	2,270	1,363
Nickel Ore	" "	Nil	Nil
Gold, fine	Ozs.	Nil	542
Peridots Value... ..	£E.	Nil	Nil
Carbonate & Sulphate of Soda ...	Met. Tons	Nil	350
Ochre	" "	1,017	1,184
Sulphate of Alumina	" "	Nil	Nil
Sulphate of Mangesia	" "	Nil	Nil
Nitrate Shale	" "	955	1,660

APPENDIX XXVIII

EGYPTIAN FISHERY RETURNS FOR 1930.

Sea Fisheries :

Trawl	2,100 metric tons.
Sardine	7,876 " "
Shore	3,685 " "
Total	13,661 " "

Lake Fisheries :

Menzala	12,155 metric tons.
Brullos	4,585 " "
Edkou... ..	7,290 " "
Mariut	832 " "
Quarun	917 " "
Bardaweel	337 " "
Total	26,116 " "

Nile and Canal Fisheries	4,447 " "
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TOTAL LOCAL YIELD	44,224 metric tons.
Excess of Imports over Exports ...	5,378 " "

TOTAL CONSUMPTION	49,602 " "
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APPENDIX XXIX

Average monthly circulation with the public of banknotes of the National Bank of Egypt for the years 1929 and 1930.

				1929 £E.	1930 £E.
January	...	...	...	28,614,712	25,459,470
February	...	...	...	27,581,357	25,192,499
March	...	...	...	27,339,272	24,672,003
April	...	...	...	26,736,261	25,145,759
May	...	...	...	25,734,426	24,244,192
June	...	...	...	23,866,988	22,445,718
July	...	...	...	22,222,971	20,974,699
August	...	...	...	21,112,588	19,821,495
September	...	...	...	22,531,221	19,881,560
October	...	...	...	26,661,540	21,525,196
November	...	...	...	27,133,114	21,971,727
December	...	...	...	26,489,571	20,944,174

Circulation of metal coinage at the end of May, 1929, 1930 and 1931.

				1929	1930	1931
				£E.	£E.	£E.
Silver...	...	...	...	5,335,000	5,235,000	4,309,000
Nickel	...	...	...	776,000	797,000	784,000
Bronze	...	...	...	31,000	33,000	33,000
Total	...	...	...	6,142,000	6,065,000	5,126,000

APPENDIX XXX

Commercial Convention concluded between His Majesty's Government in the following self-governing Dominions and the Government of Egypt by notes exchanged on the dates given between the High Commissioner and the Egyptian Minister of Foreign Affairs.

Commonwealth of Australia	...	June 10th & 11th, 1930
Government of India	...	" 14th " 16th, "
Government of Southern Rhodesia...	...	" 17th " 21st, "
*Government of New Zealand	...	" 18th " 22nd, "
†Government of the Union of South Africa	...	July, 15th " 21st, "
Government of the Irish Free State	...	" 25th " 28th, "
(Separate provisional Commercial Convention).		

Mandated Territories.

Palestine	...	June 10th & 11th, 1930.
Iraq	...	" 14th " 16th, "
Trans-Jordan	...	Aug. 14th " 21st, "
* Applies also to Western Samoa.	† Applies also to South West Africa.	

APPENDIX XXXI

List of British non-self-governing Colonies and Protectorates, and territories administered under mandate by His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland, to which is applied the stipulations of the Anglo-Egyptian *modus vivendi*.

- Bahamas.
- Barbados.
- Bermuda.
- British Guiana.
- British Honduras.
- Ceylon.
- Cyprus.
- Falkland Islands and Dependencies.
- Fiji.
- Gambia (Colony and Protectorate).
- Gibraltar.
- Gold Coast—
 - (a) Colony.
 - (b) Ashanti.
 - (c) Northern territories.
 - (d) Togoland, under British Mandate.
- Hong Kong.
- Jamaica (including Turks & Caicos Island and the Cayman Islands).
- Kenya (Colony and Protectorate).
- Leeward Islands :—
 - Antigua.
 - Dominica.
 - Montserrat.
 - St. Christopher and Nevis.
 - Virgin Islands.
- Malay States :—
 - (a) Federated Malay States :—
 - Negri Sembilan.
 - Pahang.
 - Perak.
 - Selangor.
 - (b) Unfederated Malay States :—
 - Johore.
 - Kedah.
 - Kelantan.
 - Perlis.
 - Trengganu ; and Brunei.
- Malta.
- Mauritius.
- Nigeria :—
 - (a) Colony.
 - (b) Protectorate.
 - (c) Cameroons under British Mandate.
- North Borneo, State of.
- Northern Rhodesia.
- Nyasaland Protectorate.
- St. Helena and Ascension.
- Sarawak.
- Seychelles.
- Sierra Leone (Colony and Protectorate).

APPENDIX XXXI (*continued*)

Somaliland Protectorate.

South African High Commission, Territories of the :—

Basutoland.

Bechuanaland and Protectorate.

Swaziland.

Straits Settlements.

Tanganyika Territory.

Trinidad and Tobago.

Uganda Protectorate.

Wei-hai-wei.

Western Pacific, Islands of : —

British Solomon Islands Protectorate.

Gilbert and Ellice Islands Colony.

New Hebrides.

Tonga.

Windward Islands :—

Grenada.

St. Lucia.

St. Vincent.

Zanzibar Protectorate.

APPENDIX XXXII

Provisional Commercial Conventions concluded during the period under review. None of these conventions are applicable to the Anglo-Egyptian Sudan.

<i>Country.</i>	<i>Dates of Exchange of Letters.</i>	<i>Observations.</i>
ALBANIA	Feb. 25th, 1930.	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
AUSTRIA	Feb. 27th, 1930 March 9th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
BELGIUM (Union Economique Belgo-Luxembourgeoise)	May 28th, 1930	Most Favoured Nation Treatment excluding concessions granted by Egypt to Limitrophe countries.
BRAZIL	May 13th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with certain Limitrophe countries.
BULGARIA	March 6th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
CHINA	April 23rd, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with certain Limitrophe countries.
CHILE	March 5th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with certain Limitrophe countries and not applicable to Latin American neighbouring countries.
CZECHO-SLOVAKIA	March 16th, 1930	Most Favoured Nation Treatment excluding Egypt's arrangements with Limitrophe countries.
DENMARK	May 7th, 1930	Most Favoured Nation Treatment not applicable to Iceland or Limitrophe countries with which Egypt has special agreements or to arrangements made by Norway and Sweden.
FINLAND	June 12th & 13th, 1930	Most Favoured Nation Treatment excluding special advantages granted to Estonia & Egypt's agreements with Limitrophe countries.
FRANCE	April 17th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries. Applies also to Indo-China, Morocco, Algeria and Tunisia.
GERMANY	March 25th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
GREECE	Feb. 20th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
HUNGARY	June 4th & 12th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with certain Limitrophe countries.

APPENDIX XXXII (*continued*)

<i>Country.</i>	<i>Dates of Exchange of Letters.</i>	<i>Observations.</i>
HOLLAND	March 17th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
ITALY	June 16th, 1930	Most Favoured Nation Treatment excluding concessions granted by both parties to certain Limitrophe countries.
JAPAN	March 19th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
NORWAY	May 12th & 27th, & July 4th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with certain Limitrophe countries and not applicable to arrangements made by Norway with Denmark and Sweden.
PERSIA	June 17th, 1930	Most Favoured Nation Treatment excluding agreements with certain Limitrophe countries and the Sudan by both parties.
ROUMANIA	April 16th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
SPAIN	March 31st, 1930	Most Favoured Nation Treatment excluding concessions granted by Egypt to Limitrophe countries and not applicable to regime granted to Portuguese products, the Spanish Protectorate Zone of Morocco, or to Hispano-American countries.
SWITZERLAND	April 19th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.
SYRIA (through French Govern- ment)	March 11th, 1930	Most Favoured Nation Treatment not applicable by either party to Limitrophe countries.
SWEDEN	June 7th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries and not applicable to arrangements made by Sweden to Denmark and Norway.
TURKEY	July 2nd, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries and not applicable to former Turkish possessions.
UNITED STATES OF AMERICA	May 24th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with certain Limitrophe countries and not applicable to Cuba and the Panama Zone.
YUGO- SLAVIA	March 13th, 1930	Most Favoured Nation Treatment excluding Egypt's agreements with Limitrophe countries.

APPENDIX XXXIII

NEW AGRICULTURAL BANK.

EXTRACTS FROM A MEMORANDUM ON THE BASIS OF A STABLE COTTON POLICY
SUBMITTED TO THE MINISTER OF FINANCE, BY THE UNDER SECRETARY OF STATE
OF THAT MINISTRY, IN OCTOBER, 1930.

The objects of the new Agricultural Bank are defined as follows:—

(1) To accord loans for a period not exceeding one year for the purchase of cotton seed and manure; and to lend money on the security of the crop.

(2) To lend money to Agricultural Co-operative Societies and, in general, to any duly constituted body which is pursuing one of the objects for which the bank was instituted.

(3) To make loans for a period not exceeding ten years for the purchase of agricultural machinery or cattle, or for the improvement of agricultural land by digging canals and drains.

(4) To make loans for a period not exceeding 20 years for the reclamation of land which will benefit from the irrigation and drainage projects now being carried out.

In the second place it was laid down that the bank should be asked to take over from the Government the following operations:—

Sale of manures on credit.

Sale of cotton seed.

Loans to meet the expenses of cultivation and picking.

Thirdly, the Government was to be a shareholder to an extent not exceeding one half of the capital, nor £E.1,000,000, and was authorised to guarantee interest of 5 per cent. on the capital originally subscribed in accordance with the Statutes and the Memorandum of Association.

The Government was further authorised to lend up to £E.6,000,000 repayable only in the event of liquidation, the recommendations of the Economic Council being:—

Up to £E.3,000,000 should be advanced in the first year of the Bank's formation.

Up to £E.1,000,000 in the second year.

Up to £E.1,000,000 in the third year.

Up to £E.1,000,000 in the fourth year.

It was suggested that interest on these advances should not exceed 2½ per cent.

Fourthly, the Government was to be represented on the Board in proportion to its holdings, and the nomination of the managing director or of the salaried manager was to be approved by the Council of Ministers.

It is desirable to draw special attention to the following points:—

(a) The bank will not be a commercial bank in the ordinary sense, the bulk of its operations being small loans which are expensive to manage and give little profit. It is essential that this should be realised from the outset and that it should be clearly understood that if the bank endeavours to make high profits it will be false to its principles. If the Board keeps steadily in view the object which the Government has at heart small loans must be numerous and, in consequence, expenses will be high and profits will be low.

APPENDIX XXXIII (*continued*)

(b) It has to be remembered that the funds of which the bank will dispose at the outset, amounting to £E.4,000,000, will only suffice to finance a small proportion of the crop. The total value of the crops raised annually in Egypt has been estimated by a competent investigator to reach £E.125,000,000, of which about £E.25,000,000 are consumed by the cultivators, their families and their cattle; and the amount required to finance the remainder up to the moment of export has been calculated to be £E.20,000,000.

The larger land-owners can finance their crops without resort to borrowing; what we have to consider is the needs of the small holders and their requirements may be put down at £E.10,000,000, an estimate which certainly does not appear exaggerated when we reflect that the Agricultural Bank had lent £E.8,000,000 in 1908, that the difference in the value of money then and now is from 30 to 50 per cent., that the fellah of twenty-one years ago was more ignorant than he is to-day of the advantage of dealing with a bank. On the other hand, loans against crops formed no direct part of the operations of the Agricultural Bank.

The object of these remarks is not to criticise the proposal that the new bank should commence operations with funds amounting to £E.4,000,000, but rather to show that its funds will require to grow if it is to fulfil the object with which it is being instituted—a fact to be remembered by those responsible for the Budget of the State and on which those who clamour for the repeal of the Cotton Tax are invited to reflect.

(c) If the bank is to be used, it must multiply branches in the provinces if it is to be successful, it must keep in personal touch with its clients, in order that money may be lent only to those who will spend it to advantage—not on objects having no connection with cotton or agriculture in general. This is a principle which is well understood in those countries which have an organised system of agricultural credits: in Italy, for example, the Manual of Instructions for granting agricultural loans (issued on January 23, 1928) precluded the making of an advance until the benefits, whether technical or economic, likely to result from the expenditure, have been verified.

(d) When the expansion of co-operative societies has reached a satisfactory stage, and their maturity and solvability is such that they have established themselves in the confidence of the public, the new bank will become the Central Co-operative Bank, supplying the Societies with funds and devolving upon their shoulders the making of short-term advances which they are the bodies most competent to supervise, composed as they are in general of members who know one another and are therefore best in a position to judge of the borrower's real needs, of his standing and of his ability to pay off the loan.

(e) Certain financial criticisms have been directed against the proposal that the new bank may lend money for reclamation purposes. On this it may be pointed out that it is laid down that the bank shall not make loans of this category at the outset of its career; moreover, when the time does come for it to do so, it is not stated whether it will lend the money to individuals directly or through an intermediary. No doubt, operations of this character stand in a category apart and require rules of their own; and there is nothing to prevent the bank limiting its assistance in this sphere to one or more Egyptian organizations formed to carry out the reclamation, on which the bank can secure such representation as will satisfy it that the objects for which loans are granted are being steadily pursued.

APPENDIX XXXIII (*continued*)

(f) The bank will not be able to carry out the duties assigned to it without constant and effectual help from the Government, given partly through the administrative staff in the provinces who can render indispensable services which either could not be obtained elsewhere at all, or only at a prohibitive cost; and partly in the material form of cash with which to meet the needs of agricultural borrowers at a reasonable price. It is safe to say that without state assistance the bank cannot pursue its task of helping the cultivator.

If the new bank is constituted on the basis which has been proposed and the foregoing observations are taken to heart by those to whom its affairs are entrusted, there is good ground for confidence that agricultural credit in Egypt will be organised on sound lines which will put an end to many of the existing evils; the small holder should be able to obtain the cash he needs, at the time when he most needs it, at a reasonable rate, and should no longer be compelled, as he now is, to sell his crop at an unfavourable moment, nor to submit to the rapacity of usurious money-lenders. The relations of landlord and tenant should receive a new alignment which will rule out many forms of exaction practised to-day; and the supervision maintained by the Government over the bank should ensure to the cultivator that sound seed and unadulterated manure is supplied at rates which do not contain an exaggerated element of profit; for the quantities which the bank will be called upon to distribute will be so large that they should keep prices steady at a reasonable level. The day should come at which a farmer can raise money to improve his property by canalisation and drainage and to stock it adequately with cattle and implements. Thus it may be hoped, the task of organising agricultural credit will be carried out, with the result that many of the difficulties which now beset the raising and the marketing of crops in Egypt will disappear.

REPORTS by H.M. Trade Commissioners, Commercial, Diplomatic and Consular Officers on commercial and financial conditions in the following countries, issued, or in course of preparation, by the Department of Overseas Trade:—

A.—During the year 1929.			
Angola	1s. 0d. (1s. 1d.)	Norway	2s. 0d. (2s. 2d.)
Estonia	9d. (10d.)	Persian Gulf ...	1s. 3d. (1s. 4d.)
Latvia	9d. (10d.)	Switzerland ...	1s. 6d. (1s. 7d.)
B.—During the year 1930.			
Argentina	3s. 6d. (3s. 8d.)	Lithuania	9d. (10d.)
Australia	4s. 6d. (4s. 8d.)	Morocco	2s. 6d. (2s. 8d.)
Austria	2s. 0d. (2s. 2d.)	Netherlands ...	3s. 0d. (3s. 2d.)
Belgium	3s. 6d. (3s. 8d.)	New Zealand ...	2s. 6d. (2s. 8d.)
Brazil	2s. 6d. (2s. 8d.)	Panama and Costa Rica ...	2s. 0d. (2s. 1d.)
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Printed under the authority of HIS MAJESTY'S STATIONERY OFFICE
By the South Essex Recorders, Limited, High Road, Ilford.

(722) Wt. 12258/550/997. 1625. 11/31. S.E.R. Ltd. G. 9.